The United Nations Work For Victory

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THE FINANCIAL POST

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The Nation's Business

Industry Must Lead In Saving Manpower

Canada's manpower crisis is right here. War production is starting to suffer from worker shortage. The 67% casualties at Dieppe have shocked military authorities into sharp upward revision of reinforcement requirements. Further drastic action to free men and women for the army is now very close—action which only a few months ago would have seemed unthinkable in a democratic community.

Two of the most drastic steps aimed at conserving vital materials and mobilizing all possible manpower for war are:

Enforced shut-down of "non-essential" industries;

"Concentration" of industry, whereby a handful of plants will be nominated to do all the production necessary for restricted civilian supply of a certain article, and all other factories in the same field will be shut down or diverted to war work.

Since, in some aspects, virtually every industry has some facet of essentiality, Canadians will see more concentration or telescoping than closure of entire industries.

As shown in an article on page 37 of this issue, British business has been experiencing concentration for over a year. U. S. business has been moving forward in this field for a few months.

Probably no wartime measure will be more painful for business to bear; more alarming in its potentialities for present hardship and future uncertainties.

In both Britain and the United States, the concentration process has been carried out by the members of the individual industry concerned. Officialdom has said: Here is the problem. Here is the amount of production the national economy can afford. You decide how to get the goods made with the fewest men or women workers. Where businessmen have found it difficult to agree, government has stepped in.

Virtually every Canadian industry now has an association capable of handling this task; an organization which it created in time of peace or one that has been created for it by wartime prices and supply controls.

There is abundant evidence that the manpower crisis is real; that to meet minimum military needs and to man the war plants now approaching full production, workers must be taken from the less to the more essential work.

The first job for business now is to take every possible means of making the time and skill of its workers go as far as possible by the highest possible efficiency; by standardization and simplification practices in design, production, marketing, etc.

The second is to study concentration and appraise candidly the methods and problems involved in applying it to Canada.

When and where the painful operation has to be undergone, the individual industry itself should be able to do the job more wisely, more fairly than any government board.

The sooner industrial groups get to work on this problem, the fewer the blunders that will be made by themselves or by officialdom; the less grief for everybody concerned.

• • •

FIGHTING FOR BETTER CANADIAN WAY OF LIFE

Ideas which merit the attention of all businessmen and by all Canadians concerned with preserving the Canadian way of life are set forth in an outstanding editorial by Sam O. Dunn, veteran and forthright editorial chief of the U. S. business newspaper, Railway Age. The editorial, which is reprinted on page 30 of this issue of The Financial Post, has just as much importance for Canadians as for the Americans to whom it was addressed.

Urging that believers in private enterprise should be devoutly planning now for the postwar world, Mr. Dunn emphasizes:

That they must have a definite constructive, forward-looking postwar programme to offer, and

That they must purge business itself of practices not in the public interest.

The totalitarians in our midst, whether Fascist or Socialistic, are inveterately vociferous. Their postwar programme is stated in concrete terms and vehemently proclaimed. Their "sales and public relations" campaign goes on all the time.

Believers in democracy and in free enterprise, meanwhile, have remained almost silent on basic issues. Their "sales and public relations" campaign for democracy and for free enterprise has been desultory, piece-meal, sometimes inept, sometimes shamefaced.

Too many free enterprisers and democrats have been on the defensive about their beliefs; have sometimes been confused as to what they do earnestly believe in; have not clearly in their minds the permanent, basic values of the democratic way in business, government and society.

To win the peace, democrats have to know what they believe, and why, and use every means of missionizing their faith.

Mr. Dunn's point that business must cleanse itself is basic. One bad apple can spoil a barrelful. A little bad business endangers all good business. In the past, business too often has tended to be tolerant of the sins and sinners in its midst; to be less concerned with fighting for socially sound business practices and more with fighting against enforcement of such conduct.

Like life itself, democracy and free enterprise are living and dynamic, subject to constant change. Believers in them do not and cannot aspire to recreating the world of the thirties, the twenties or an era before the first world war. What Canadians who believe in democracy are fighting for is a new, better, more efficient, more just democracy and the same holds true for free enterprise.

The free enterprise system is inextricably linked with the democratic way. Victory will be ours abroad, but powerful forces are plotting defeat at home. The Sam O. Dunn call for a positive, forthright, forward-looking programme now is a timely warning that immediate, devoted action is essential.

• • •

RECOGNITION FOR VITAL WAR INDUSTRY

After months of confusion and uncertainty tax authorities both here and in the United States have recognized advertising as "a variable and inseparable component of distribution cost"; have set it definitely on the list of essential wartime industries.

The decision is very significant.

It is formal recognition that the advertising and publishing industries are interdependent; that both perform an indispensable wartime function in keeping alive the democratic way, in explaining and winning compliance with multitudinous, often disturbing, wartime restrictions, in helping put over war loans, war saving campaigns and the many other voluntary efforts.

The decision is equally significant for the official recognition it gives to the nation's dependence on established business to do an enormous task in the period of readjustment and postwar reconstruction.

Business must be prepared quickly to take up the slack when the war machinery slows down if Canada is to avoid disastrous collapse and dire hardships for millions of Canadians. Business, health and vitality are essential to provide the tax revenues needed to carry on national projects and policies.

Protection of the enormous investments of industry in brand names, company prestige and established products, by well-directed sustaining advertising, even when war business comes first on production schedules, is the best possible assurance that Canadian industry will be able to meet the enormous demands that will be made upon it when peace comes.

British Bankers Scan U. S. Postwar Policies

Officials Take View That Washington's Influence Will be Major Factor — Tremendous Economic Reorganization Will Scrap Old Ideas

By H. NAPIER MOORE
Editor, Maclean's Magazine

LONDON (By Cable).—Post-war economic policies of the United States, as outlined by Vice-President Henry A. Wallace and other leaders of the Roosevelt administration, are being given serious and broad-minded study by the Bank of England. I was so informed by one of Britain's outstanding bankers.

He said the Bank of England realizes that the post-war influence of Washington is bound to be exceedingly strong and that American trends of thought will make themselves felt. He added that the bank also accepts the fact that a tremendous economic reorganization is inevitable, and that there must be the utmost co-operation with the United States—this to the point of abandoning old time views where necessary for world rehabilitation.

On the other hand, heads of private banks, mostly men about 70 years old, are less inclined to view such policies as those outlined by Vice-President Wallace as anything but nice-sounding but unworkable theories. These men are all for preserving the status quo, and regard London as the perpetual financial centre of the world, whose policies must outweigh those of others.

The opinion of my informant is that they will be overruled when the time comes to solve post-war problems—if they are still active then.

Churchill's Leadership

Incidentally, all discussions in the "City" get around sooner or later to the question of Winston Churchill and future leadership. While Churchill is still regarded as the best man Britain could have had in her worst moment, there is growing criticism of his individualistic approach to problems and his reluctance, in some cases, to get square pegs out of round holes.

This leads, of course, to the question of who might succeed him. Oliver Lyttleton's stock seems highest at the moment.

There are, at present, no signs of a general election in Britain. In the first place, the recent collapse of the opposition weighs heavily with the public. In the second place, shifts in population, from one constituency to another, would present great difficulties so far as election machinery is concerned. It might be possible to overcome these difficulties somewhat by having voters present their registration cards at the polls.

Emphasis in Loan Drive On Farmers, Payrolls

By STAFF WRITER

OTTAWA.—When National War Finance officials raised the official sights of Canada's third Victory Loan to $750 millions last week they told only part of the story.

In Canada's second Victory Loan Mr. Ilsley and his associates asked for $600 millions. They got $845 millions of "new" money, plus $152 millions of "conversions"—a grand total of $997 millions.

This time the goal has been raised by 25%—from $600 to $750 millions. But the job which Canadians are now being asked to tackle is a much harder one than that.

In the last loan, only 40% of the "new" money came from individual Canadian subscribers. The rest came from so-called "special names"—corporations, institutions, life insurance companies, and so forth.

In this loan, on the basis of earlier breakdowns, almost 60% of the money raised by new borrowings must come from the "man-in-the-street."

Farmers and Wage Earners

Irrespective of what corporations and other special names can throw into the Victory pot, the blunt and challenging fact is that behind the $750 millions goal is the hope (implied if not expressed) that Canadian farmers, wage-earners and investors will buy somewhere between $400 and $600 millions of third Victory Loan bonds (depending on how much the loan is oversubscribed).

No bets will be overlooked as 20,000 to 40,000 voluntary workers attempt this goal starting Oct. 19, but it is on the farm and factory that the major emphasis will be placed. In the last loan 820,000 persons were signed up on payroll savings plans. Their subscriptions averaged about $80 each. In this loan it is hoped that twice that number can be enlisted—despite the new income taxes. The total number of individual subscribers in the last loan was 1,681,000. These contributed $365 millions against corporation subscriptions of $480 millions.

The farmers of Canada were never better loan prospects than they will be this fall. Early estimates place gross farm income at well over the billion-dollar mark, and net cash income at somewhere between $500 and $600 millions—twice the total of earlier years.

For the first time in Canadian in-

(Continued on page 26, col. 1)

Canada's Timber Regent

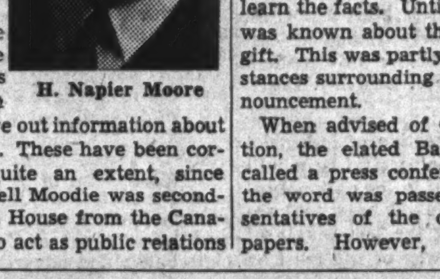
Behind Canada's new and sweeping programme to avert a lumber famine is smart, hard-working Allan Stanley Nicholson, who started in the retail lumber business years ago with one horse and $1,000 and became one of the largest wholesale distributors in the Dominion. His job, as timber controller, is to prevent any lumber shortage which might hamper the war effort not only of Canada but of her two biggest customers for lumber, the United States and Great Britain. To do this he must see that production is maintained and, at the same time, that distribution is equitable. Born at Waterdown, Ont., in 1882, he lives at Port Nelson, Ont., heads three lumber companies, and is a past president of the Wholesale Lumber Dealers Association.

Overseas Publicity Better

British Are Learning More About Our War Effort

With other representatives of the business, magazine, farm paper, trade and technical newspapers, daily newspapers and press associations of Canada, H. Napier Moore is now in England surveying at first hand the weapons, training and efficiency of Canada's overseas forces. Here he reports on Canadian publicity in Great Britain.

By H. NAPIER MOORE
Editor, Maclean's Magazine



H. Napier Moore

LONDON (By Cable)—Lately there has been a noticeable improvement in the publicity given in Great Britain to Canada's war effort.

There was room for this improvement. People on this side have not been adequately informed of the part the Dominion is playing. The fact that they have been greatly restricted in size, so as to save newsprint, has not made it easy for British newspapers to tell Canada's story.

At the same time there were faults in the way in which we gave out information about our activities. These have been corrected, to quite an extent, since Capt. Campbell Moodie was seconded to Canada House from the Canadian Corps, to act as public relations officer for Canada in London.

The Dieppe stories, of course, stimulated interest in the Canadian Corps, but apart from that the provincial press has been carrying more material about Canada's war production, Canada's billion-dollar gift to Britain, and things like that.

Amazed at Facts

Many Britishers are amazed to learn the facts. Until recently, little was known about the billion-dollar gift. This was partly due to circumstances surrounding the original announcement.

When advised of Canada's intention, the elated Bank of England called a press conference, at which the word was passed on to representatives of the different newspapers. However, Ottawa desired that the announcement be held up five hours, pending Prime Minister King's speech to Parliament. Because of the five-hour delay, only one London newspaper, The Express, held a page for a brief story of the gift. The others went to press without it. Proper timing would have meant immediate and widespread publicity.

Now that there is a public relations officer this sort of error can be avoided more easily. Another officer will soon be named, it is expected, to co-relate the activities of press liaison officers attached to the fighting forces.

The British people still do not know enough about our scale of taxation in Canada, our rationing, and

(Continued on page 26, col. 1)

Sharp Cuts Loom For Civilian Trade

Ruthless Curtailment of Non-essential Industries Seen on the Way; Speeded by Dieppe Casualties, Army Manpower Needs Are Driving Force

By KENNETH R. WILSON

Please see also article page 37

OTTAWA.—A new and ruthless curtailment of non-essential civilian trade and industry on a scale not previously envisaged in Canada is in the making here at Ottawa. So far, decisions as to policy and procedure are still in the formative stage. This for two reasons:

1. The Cabinet is still in the throes of argument and indecision as to the pattern of manpower requirements over the next six, eight or twelve months.
2. High officials of the Wartime Prices and Trade Board who have now been charged with slitting civilian industry's throat are still deliberating as to the method and manner in which this highly distasteful job is to be done.

The cabinet decision on manpower may not be made for six to eight weeks. (Last year a corresponding decision took three months.) But if the overall requirements of the armed services (as they are reported here to have been presented to Cabinet in recent days) are to be met, the impact on non-essential civilian industry and services over the next four or five months will be startling in the extreme.

Armed service manpower requirements are the immediate key to the new curtailment policy of non-essential civilian industry. Within the past week, new and accumulated manpower demands have been presented to cabinet which can only be met by cutting deeply and ruthlessly into civilian employment.

To some degree, the losses and lessons of Dieppe have played a part in this new manpower crisis. Much more important are:

(a) the fact that existing draft machinery in charge of National War Services has failed to produce the men required month by month by army authorities. (This failure to reach monthly quotas has now cumulated to the point where it reaches an alarmingly high total).

(b) the Army, while not raising its ultimate sights, has moved its "target" closer, thus requiring a more rapid flow of manpower into the service than had previously been contemplated.

Mixed in with this new situation is the alarming and fundamental clash of view between Army and Air Force officials as to manpower priority between the two services. The Air Force programme requires approximately 3,000 air crew a month. This represents the cream of the manpower crop—perfect physical and mental specimens between 18 and 33.

So far, the R. C. A. F. has been able to meet its quota. But the sands are now running low. Added to that there are new demands for bomber crew. To avert a shortage, the R. C. A. F. has approached the Army for release of certain men who could meet air crew requirements. In return, the Air Force would undertake to limit its recruiting of ground crew to certain categories thus releasing men for the Army who might otherwise join the R. C. A. F.

Apparently the Army has turned a deaf ear to these proposals.

There is more in this argument

(Continued on page 26, col. 3)

Business Index Suggests Peak

Marked increases in war production in Canada are now being counterbalanced by declines in other lines. Purchasing power is being hit by high taxation and war savings while lack of raw materials and manpower has rendered operations in a number of industries difficult.

The Financial Post's business index for August indicates a minor gain over July this year but for the second successive month it is slightly below the level of a year ago. This is a logical development following practically full employment of Canada's manpower and capital equipment. We will still be able to increase our output of war materials but it will come largely at the expense of ordinary civilian goods.

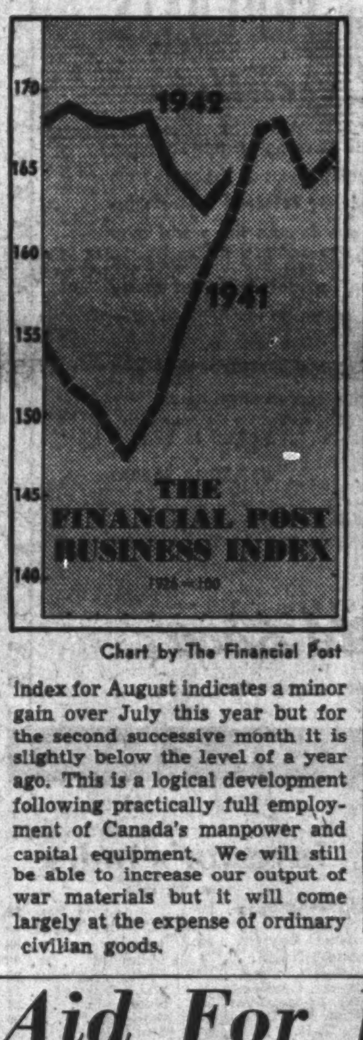


Chart by The Financial Post

Postwar Aid For Business?

Tax Commissioner Hints Some Help Ahead

In return for the support business has given Canada's war effort through wartime taxes, the government may, in the postwar period take steps to return the service, it was suggested by C. Fraser Elliott, K.C., Canada's Commissioner of Income Tax, in a recent address in Vancouver.

"The afterwar possibilities are so real that I apprehend that at the appropriate time in the future some reasonable steps may have to be taken to stand by business in oncoming times, commensurate with the way business has stood by their task and the war effort in these times."

Although the war has not actually brought out any new principle of taxation it has altered the emphasis and application of many taxes. Nor has the war developed any magic formulae for paying its bills, he said.

One development new to Canada has been that "all business executives and their accountants, became, as it were, an unpaid personnel of the Department of National Revenue," a job which they have undertaken on a greatly increased scale with the latest tax amendments.

War Hazards of Business

In addition to this work, corporations pay heavy taxes, says Mr. Elliott, and "can retain but 70% of their pre-war average." They also pay the cost of compliance with all its attendant managerial requirements and run the risks and hazards inherent in all businesses. He outlines some of these hazards:

Depreciation of plant, made more important as intensive use of plant and machinery by inexperienced help will leave the plant in a much less usable state at the close of the war than would otherwise be the case.

Over-expansion of plant which may become idle after the war.

Capital repairs that are postponed in the interests of non-stop war production.

Obsolescence arising out of intensive research during the war to raise productive efficiency which may suddenly render today's machinery obsolete.

Post-war potential inventory loss; contracts to be cancelled.

In the face of all these special hazards, Mr. Elliott states, "companies are conducting their business in a very commendable manner in the furtherance of the war effort."

At different times since the war began, Canada's fiscal policy has been used to aid and direct the country's economy with the object of helping the war effort. Even before the war this was the case to a limited extent.

Stimulating Measures

In June, 1939, companies were offered 70% of their capital expenditures as an expense against income if they would construct capital assets within a 12-month period. This offer resulted in $150 millions of capital expenditures undertaken and completed within the prescribed time.

Metalliferous mines coming into production were given a three-year exemption from income tax and 115 new mines have been granted this exemption.

When the "baby" budget of Nov., 1940, was brought in, it was designed to conserve exchange through prohibiting the importation of unnecessary articles, with increased excise taxes on a wide range of articles, both domestic and imported. Following this budget, the War Contracts Depreciation Board was created to provide speedy depreciation for capital structure erected solely for war contracts. To date, this board has dealt with capital expeditures of $85.6 millions, with a postwar value of $14.1 millions on which

(Continued on page [illegible])

Are You Paying Too Little or Too Much?

What is the Proper Tax For Your Business to Pay?

To answer the questions involved in today's complicated tax setup, Molyneux L. Gordon, K.C., Toronto, has written this new and authoritative series of articles for The Financial Post dealing with the income tax and paying special attention to its application to business.

Mr. Gordon has specialized on tax questions, his books being considered an invaluable contribution to the subject. He is the author of, "Digest of Income Tax Cases of the British Commonwealth of Nations," published by the Department of National Revenue, Ottawa, 1939 with one supplement 1937-39 and another to appear next April, Mr. Gordon is also the Author of, "Digest of Excess Profits Tax Cases of the British Commonwealth of Nations, 1942."

Article Number One
By MOLYNEUX L. GORDON

Since 1917 the Dominion Government has collected nearly three billion dollars from corporation and personal income tax. Great credit should be given the Income Tax Commissioner, C. Fraser Elliott, K.C., and his Department, for the fair and reasonable attitude they have adopted in the application of the law.

This is clearly shown by the fact that in the last 25 years only 66 taxpayers in Canada have appealed to the courts from any assessment and in 48 of these cases the opinion of the Income Tax Commissioner has been upheld. Reports of tax cases from other parts of the Empire already fill 68 volumes.

The Canadian Income Tax Act contains 93 sections and is similar in form to the acts adopted by the other Dominions which are based upon the English statutes. The Codification Committee in Great Britain headed by Lord Macmillan stated[1] that the courts had in many cases adopted artificial interpretations so as to make the acts workable and to avoid injustice and that only by studying a large body of case law amounting to nearly 2,500 cases in England and probably 2,000 or 3,000 in the Dominions is it possible to make an intelligent forecast of the taxpayer's position.

How Taxes Grew

It has been stated over and over again that a statement prepared for tax purposes differs from an ordinary mercantile account.[2] This is due to the fact that income tax was introduced in England in 1799 and was drafted to meet conditions which existed at the beginning of the 19th century.

At that time, business was in its infancy; few people could write and a still smaller number could figure. The directory for the City of London published in 1799 classified only 11 residents of that city as accountants. Few people kept books and those who did kept them on a cash basis so that questions in regard to obsolescence, depreciation and bad debts could not arise. It has been left to the courts as new situations developed to adapt the statutes to cover conditions which had not even been thought of at the time the tax was originally introduced.

Depreciation Begins

Take depreciation as an example. In 1806 no allowance could be deducted for depreciation. At that time there was very little machinery in the country and the fact that it might wear out or become obsolete did not seem important. In 1853 the Act was

([illegible])

MEN'S SHOP

FINE APPAREL FOR MEN

Businesslike TOPCOATS for Busy Executives

Keeping on the job and keeping up appearances are two of the outstanding qualifications of topcoats from The Men's Shop. We have recently received a new shipment of English models that are famous the world over for their distinctive cut, fine tailoring, and hard-wearing fabrics. You'll find Men's Shop Topcoats have the ability to tackle plenty of work and action on the home front—and still retain their smart appearance. See our selection of new styles—raglans and slip-on models in bold and tweed effects, as well as more conservative tones.

English Topcoats . . . . $40.00 to $85.00

Canadian Topcoats . . . . $37.50 to $55.00

Free Parking While Shopping

The Men's Shop

CIVIL AND MILITARY OUTFITTERS

at EATON'S - COLLEGE STREET

Canada's Publicity Overseas Improves

(Continued from page 25)

our general wartime economy. However, High Commissioner Vincent Massey and Frederick Hudd, chief Canadian trade commissioner in the United Kingdom, have been doing a good job of making speeches about Canada's war effort in various parts of Britain.

My observation is that we would profit from more radio broadcasts from Canada directed to the British public. The British people are keen to learn about Canada, and they listen to the radio a lot during the long blackout nights.

Emphasis In Loan On Farmers, Wages

(Continued from page 25)

vestment history the farmers of Canada will be canvassed through a 100% grass roots approach. They'll be asked to buy Victory "tickets" on everything from the backshed junk pile to next year's litter of pigs. All legalistic and professional sales jargon has been tossed out the window to meet the farmer on his own terms and in his own language. It will be a mortal affront to Farmer-Dealer Bill Harris of Toronto, who heads up this novel agricultural blitz, if every farmer in Canada doesn't sign on the dotted line for at least a war savings certificate before the campaign closes Nov. 7.

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Reliance Grain Co. has experienced operations for the first eight months of 1942 similar to those of last year, Sidney T. Smith, president, states. Like other grain companies, its elevators have been "fairly well filled with grain and, with the large crop in sight, should soon be filled to capacity." Mr. Smith intimates that prospects for the full year are at least as favorable as last year.

J. P. LANGLEY & CO.
C. P. Roberts, F.C.A.
CHARTERED ACCOUNTANTS
TORONTO KIRKLAND LAKE

THE ONTARIO LOAN AND DEBENTURE CO
LONDON. CANADA
Established 1870
DEPOSITS ACCEPTED 5-YEAR DEBENTURES ISSUED
Deposits and Debentures (31 Dec., 1941), $13,531,188

The War and Business . . .

Seven Weeks War

Active participation of the United States in the war would have been ended early in February if some ideas of financing the conflict had held sway. Sterling Morton, president of the Illinois Manufacturers' Association, points out that the total confiscation of all incomes in the United States of more than $5,000 a year as some extremists have advocated, would finance the war for not quite seven weeks.

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War Workers' Tires

Half of the American war workers will have worn out their automobile tires by the beginning of March, a survey of the Cleveland Trust Company estimates. About a quarter of the tires used by these people will be useless by this fall and less than 20%, it is stated will last through until next year.

A Washington official planning board, it is reported, made several surveys of war workers' transportation and found that in one of the large steel companies almost 80% of the workers depended upon private automobiles to get them to their jobs. They also found that the average number of persons carried in these automobiles was 1.9 per car. These statistics, it is believed, would also hold good for Canada.

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CBC to Close Earlier

Beginning next week the C.B.C. network will sign off the air half an hour earlier—at 11.30 each night. The only exception will be the station at Sackville, N.B., which occasionally will operate until midnight.

Decision to close earlier was dictated by a desire to save wear and tear on equipment, some of which cannot be replaced during war. Certain water cooled tubes used in the 50-kilowatt station cost as much as $3,000 each.

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Nazi Oil Reserves

Much groundless optimism was generated in the early stages of the war by estimates of Germany's oil resources. These were later believed to be notoriously inaccurate. Recently however, observers have been again stressing the possible oil shortage looming for the Germans.

It is claimed that Hitler has been dipping into his reserves at an alarming rate and the assumption is that he must capture a substantial oil reservoir at an early date. Strength is given to this opinion by the offensive in Russia this year. Last year it was directed toward the great cities of Moscow and Leningrad, this summer efforts have been concentrated on a drive toward the oil fields of the Caucasus.

So far the Germans have only succeeded in penetrating the fringes of the oil area in this region, the main fields of which are guarded by high mountain passes. It is hinted that the German offensive cannot continue very many weeks longer unless either reserves of oil or oil fields which can be put into production again in a short while, are captured.

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Wish They Were Back

Word from several repatriated Americans who took advantage of the official invitation to transfer from the Canadian to the American air force indicate that they are not all happy over the change. Generally they report better quarters, better meals and uniforms but complain about more irksome discipline, more drill and P.T. (physical training) and more formality.

Tablet Food

Meat is now being dehydrated in the United States and soon American soldiers abroad may get a full course dinner of meat, vegetables and fruit compressed into the size of a pillbox. Swift and Company have patented the process but are making it available to other American meat packers without charge during the war.

Aside from the fact that the new product requires no refrigeration, and can therefore be shipped under practically any conditions and to almost any part of the world, it will be a tremendous space saver in these days of scarce ocean shipping. Dehydrated and compressed, one ship will carry as much meat as ten could carry loaded with the fresh article. Dehydrated meats can be used for making meat loaf, hash or patties. All that is necessary is to add some water and heat. If necessary, it is said, when cooking is impractical, the soldier can open the can and eat the meat right out of the can.

• • •

A Dull Winter

Eastern Canadians are going to have to get used to unlighted windows, particularly in the retail districts this winter. It is definitely understood that the authorities are firmly determined that there is not going to be any more electricity, during the critical winter months at least, for brilliant displays in store windows, street signs, etc. Objections have been raised, it is reported, and more are expected at least until people get used to the new situation. In any case, however, Canadians are not expected to have to stumble along in the total darkness that people in England have been putting up with since the beginning of the war.

Sharp Cuts Loom For Civilian Trade

(Continued from page 25)

and controversy than the mere exchange of personnel. Behind it is the most critical and far-reaching argument of the entire United Nations programme—the question of whether we can win this war by armed might or by bomber superiority.

Bomb to Victory?

Since his return from England, Air Minister Power has made no secret of his enthusiastic support for the Harris-Seversky-Ziff school of thought that believes the one and only way in which Victory can be achieved is to stake everything on increasingly destructive bombing of enemy territory. Such a policy, if it were officially endorsed by the Canadian Government, would mean giving No. 1 priority to the air force to consolidate and extend its manpower needs no matter what the consequences.

This is a decision which is fraught with argument and debate on the highest levels, and involves high policy in Washington and London as well as Ottawa.

Until momentous decisions of this sort are made, the exact nature and extent of civilian curtailment in Canada cannot be determined. How long the lack of common aim and purpose, the confusion and controversy will continue, is anyone's guess. The present expectation is that it will not be decided short of six weeks, may possibly take much longer. Involved as well are matters of high policy affecting the future organization and pattern of the National Selective Service.

But by the time these decisions are made, it is expected that Donald Gordon and his new Industrial Director, Robert F. Chisholm, will have agreed on a general policy and procedure as to the manner in which civilian and non-essential industry is to be curtailed. For the present, the best advice that can be given is that each industry or group in the "non-essential" field look to its administrator or its advisory committee (set up usually through the Department of Simplified Practice) with a view to what steps should be taken in the event of complete elimination or telescoping of that industry under the new regime.

Wide Variation

Even when the "master plan" is complete (and when complete it will be issued in the form of a broad statement of policy by the W. P. T. B similar to earlier statements on the price ceiling, import policy, rolling back the squeeze, etc.) there will be the widest variation in treatment as between individual industries and business firms.

However, some important fundamentals are almost certain to emerge. For example:

1. Canada will not ask industry and services to "slit its own throat." The board will decide what must go and the degree and area of curtailment necessary.

2. Once such a decision has been made, the industry or group in question will be given every opportunity to make its decease or curtailment as painless as possible. If it knows a better way to wipe itself out, or curtail its operations, then the Board will be glad to study the plan and if possible implement it.

3. Non-essential civilian industry must be prepared for the most rigid and ruthless elimination of any production or service which does not contribute to health or wartime efficiency. In very large areas there will be, sooner or later, almost complete stoppage of non-essential production or services. In others, the product or service will be standardized along "victory" lines thus eliminating private packaging, styling, models, etc.

(What is envisaged is that for the majority of civilian services and products which remain in production there will be a strict rationing on a very wide scale. Where products or services are eliminated, the existing stocks will probably not be subject to rationing. Consumers will be free to purchase so long as inventories remain on dealers or retailers shelves).

What is important and implicit in this new and Spartan approach to a wartime economy in Canada is this: heretofore, it has been the aim of the W. P. T. B. through its Department of Simplified Practice and other Board operations, to produce the **maximum** amount of goods and services with the materials and manpower which have been available after war needs have been served. Hereafter, the emphasis will be reversed and the aim will be to produce the **minimum** of goods and services needed to maintain health and efficiency, in order that the largest possible number of men and women can be released for the war effort.

How this new "austerity" looks to Canada's manpower boss, Elliott M. Little, was clearly indicated last week in his talk before the Canadian Congress of Labor. Said Mr. Little, in part:

"In the reallocation of industrial manpower, basic surgical steps will have to be taken in the national interest. We have all been told repeatedly during the last couple of years that our way of life must be changed and our standards of living reduced. We are now at the stage where we no longer have any choice but must forthwith set out to reduce our civilian standard of living to the bare minimum necessary to maintain health and efficiency. From this time on, the nation will see a progressive, planned pruning of industries which are not necessary to that minimum standard of life."

To Allow 5% On Contributed Advertising

For the guidance of advertisers desirous of supporting the Third Victory Loan by contributions of sponsored advertising, a further ruling has just been issued by the Income Tax Division.

This ruling gives permission to businesses that advertise under so-called "Special Contributed Advertising" to charge up to 5% over and above the 10% in excess of normal allowed them in previous rulings. This provides only for contributed advertising in support of the Third Victory Loan.

"Special Contributed Advertising" will not be regarded as such unless it can be shown to be 90% given over to urging the purchase of Third Victory Loan bonds. The name of the sponsor firm and some reference to its business activities or products may make up the remaining 10%.

C. Fraser Elliott, commissioner of income tax, explaining the new ruling states that it means that if a company has been expending on general advertising 7% more than its normal expenditure and it has 3% yet to go to bring it up to the amount which may be allowed for general advertising, then such a business could have 5% more, or a total of 15%, so that while "general advertising" would actually be 7% and "special contributed advertising" 8%, a total of 15%, in dealing with the matter the income tax department would regard 10% as "general advertising" and 5% as "special contributed advertising."

Post War Aid to Business

(Continued from page 25)

ordinary depreciation will be granted.

The War Exchange Conservation Act gives the Minister of Finance power to make agreements with any business that, on expansion, would either create or conserve exchange. There have been 52 completed agreements made involving approximately $54 millions, Mr. Elliott states.

Permanent Tax Deal?

He referred to the Dominion-Provincial agreements on transfer of taxes under which "the provinces were negotiated out of the income tax field for a price that was eminently fair." This agreement was accepted by business "with great satisfaction." It gave one unified income tax law for all Canada, with one place to file tax returns and solve income tax problems. It eliminated the apportionment of profits between provinces where companies had Dominion-wide activities.

"Whether it will be found to be so beneficial that it will become a permanent feature, no one, at this time, can say, but there it stands as a step toward unification, simplification and the betterment of fiscal management of Canadian affairs during the war."

Mr. Elliott feels that:

"Multiplicity of taxes should be avoided . . . and a strong, central and effective tax plan should be followed, constant in its principles so that the public may become familiar with them."

Savings Refund

He discussed the latest budget, with its substantial upswing in income taxes, but without altering the basic tax policy of 1939.

"The only new feature is the compulsory saving plan which is basically a tax, but as a tax is to be refunded in part after the war. We are substantially close to a total taxation basis."

He characterized as "idle chatter" statements of those who suggest compulsory savings will never be refunded. "Canada has never yet defaulted on her debts," he stated. "These refundable savings are held in trust. They will be paid."

"The departmental cost," he claims, "even though you include a high value for the space occupied in the Dominion buildings, the lighting and the heating, as well as the actual expenditures incurred, is below one cent to collect a dollar. It probably would remain below one cent even though you were to add as a cost of collection the substantial costs of compliance incurred by all employers throughout Canada effecting deduction at the source."

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Issued	—Sold to—	Rate	Due	Amount	Price	Yield
Municipal—							
Drummondville, P.Q.	Sept	L. G. Beaubien & Co.	3½%	1943-62	$82,300	99.05	3.61%
Dominion —							
Canada Deposit Certificates	Sept.	Chartered Banks	¾%	Mar. 23, '43	40,000,000	100	.....

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Bond Issues—							
Hotel-Dieu De Sherbrooke, (Hopital Sanatorium St. Francois)	Sept.	Paul Gonthier & Co. and Oscar Dube & Co.	3% 3¼% 3½% 3¾%	1943-47 1948-52 1953-57 1958-62	$164,400 191,800 226,800 271,200	....	....
La Commission Des Ecoles Catholiques De Verdun	Sept.	Paul Gonthier & Co.	4%	1943-57	230,000	100	.....

MOVES TO MONTREAL

C. L. Talley, vice-president of the Coca-Cola Company of Canada, Ltd., who has been in charge of the company's merchandising and advertising programmes, has been transferred to Montreal headquarters in charge of special executive duties.

HOLD HIGH THE TORCH OF FREEDOM

A VAST ARMY OF DEPOSITORS
Serving Our Country

Our customers have more than a million deposit accounts, through which they use the Bank for protecting their savings and commercial funds, paying their obligations and generally financing their business.

Thus the Bank serves a great army of citizens who in turn are serving Canada in a multitude of peace-time and war-time activities.

The influence on the country's destiny of this army of thrifty citizens is beyond estimation. The Bank is proud to serve and co-operate with them.

BANK OF MONTREAL
"A Bank Where Small Accounts Are Welcome"
Modern, Experienced Banking Service . . . the Outcome of 124 Years' Successful Operation

Use 4.2% Less Gas in Year

Higher Fuel Oil Use Leaves Total Only 1% Down

Gasoline use in Canada in the first seven months of 1942 has been reduced by a little more than 600,000 barrels, or 4.2%.

This reduction in gasoline use, all of which has taken place since March, is offset by gains in consumption of fuel oils of all grades. Net result is that Canada has used 28,480,000 bbls. of petroleum products as fuels to the end of July this year, a decline of 252,000 bbls. from the corresponding portion of 1941, or less than 1% according to figures compiled by the oil controller's office.

It is important to remember that gasoline consumption figures include all gasoline used in airplanes and by the army, sources of consumption that are steadily growing. Thus it is safe to assume that gasoline rationing has resulted in substantial reduction in civilian use of gasoline.

All sections of the country, except the prairies, show reduced gasoline consumption, although the decline in the Maritime Provinces and British Columbia is very small. It is also evident that coupon rationing of gasoline which started in April this year has been responsible for what reduced consumption has been achieved. Prior to that month there had been a substantial increase in use over the preceding year in all sections of the country. Actual figures follow:

Petroleum Fuel Consumption
Seven Months Ended July

	1942	1941
	(thousands of bbls.)	
Gasoline:		
Maritimes	1,131	1,133
Quebec & Ontario	8,368	9,159
Prairies	4,012	3,804
B. C.	1,120	1,175
Total gasoline	14,630	15,272
Light fuel oils	4,671	4,500
Heavy fuel oils	9,179	8,960
Total	28,480	28,732

Outlining the gasoline and oil situation for Canada recently, Hon. C. D. Howe, Minister of Munitions and Supply, emphasized that reserve stocks had been seriousy depleted and that supplies of crude petroleum were hardest hit. Reserves of gasoline in Canada now are about 20 million gals. less than a year ago and of crude petroluem about 40 million gals. less.

Ship By Tank Car

Made clear from his statements is the fact that, left to itself, Ontario would be supplied adequately with petroleum products, aided by the pipeline to Sarnia and inland transportation by lake tankers. But supplies coming to Ontario have been moved by tank car to permit motorists and fuel oil users in Quebec and the Maritime Provinces to get a share.

The new pipeline from Portland, Me., to Montreal, of which much was expected last year, has proved of little help. Tanker sinkings in the Atlantic have made it impossible to get oil to the Portland terminus which has to be served by ocean tanker. Shrinkage in stocks of petroleum products in Montreal and Quebec areas has amounted to 50 million gallons. Gasoline stocks in the Maritimes were 10.5 million gals. lower at July 1 this year than a year ago.

Emphasis of fuel oil production, chiefly for naval and merchant shipping use, has become so great that only 8% of the output of Imperial Oil's Halifax refinery has been motor gasoline since January this year. Fuel oil consumption is up 63% since war started.

Supplies in the prairies have been adequate to date aided by increased output from Canadian wells and imports from Montana. Heavy harvest needs, however, will hit reserves hard.

In British Columbia, the supply situation has been serious, Mr. Howe states. This province is supplied almost entirely by ocean tanker and total stocks were down 41½% last March. Some relief was obtained but oil on hand in that province at July this year was 6 million gals. below a year ago.

The result is that motorists across Canada are being reclassified, with a new lower "AA" category being created into which several hundred thousand motorists now holding "A" ration books are to be transferred after Oct. 1. This new category will require a reduction of approximately half in mileage between now and March 31 next.

Algoma Steel Corp.'s wholly owned subsidiary, Algoma Ore Properties Ltd., expects to produce around 480,000 tons of ore this year. Rated capacity of present equipment is 300,000 tons of sinter or beneficiated ore a year, but in operation the plant has handled well in excess of that figure, actual capacity of 50% over rated capacity having been developed. Last year a total of 487,865 tons were produced and shipped.

When You've Decided You Really NEED New Apparel See Simpson's Big New Selection of

SUITS and OVERCOATS

Men's Winter Overcoats

Simpson's offers an excellent choice of overcoats of warm, serviceable, good-looking fabrics from outstanding English, Scotch, Irish and Canadian mills, tailored by Simpson's with careful attention to details of styling and tailoring that "make" a really good overcoat.

DEEP-PILE ELYSIANS from England and Scotland. Overcoat . . . . 37.50 to 59.50

HARD-WEARING FLEECE for business or dress wear. Overcoat . . . . 33.50 to 37.50

CHECK-BACK SCOTCH TWEEDS. Overcoat 47.50

MELTONS AND WORSTEDS, IN TAILORED STYLES. Overcoat . . . . 47.50 to 49.50

New Stripes and Solid Colors in

Fine Worsted Suits

31.50 34.50 37.50

Practically every pattern and color you've ever considered is included in this outstanding group of fine textured, smooth-draping worsteds — chalk stripes, group stripes, pin stripes and dozens of others, as well as the popular solid blues, greys and mixtures. And you needn't be concerned about your size or build, because there are men's and young men's models for tall, short and stout figures. Suit 31.50, 34.50 or 37.50.

Men's Clothing may be purchased on the HOME LOVERS CLUB PLAN

Simpson's

Simpson's—The Store for Men—Second Floor

This Week The Financial Post Asks

How to Unite French and English Canada?

The Question — "Name concrete ways which you believe would bring about greater unity of thought and outlook between French and English speaking Canadians."

Col. L. D. M. Baxter

Winnipeg, Man., prominent in Canadian Legion.

I believe the real issue at stake is:

1. The right to worship God as each individual desires.
2. The preservation of family life.
3. The freedom of the press.
4. The freedom of the individual to rise to the highest point of his or her ability.

These things have been sabotaged by political expediency and less important issues have been made the subject of public controversy. I believe these fundamental principles are just as dear to my French compatriot as to me, and if clearly portrayed to them would bring unqualified support.

I suggest an interchange of speakers between French and English Canada to discuss in public forum our problem. Such speakers should be men and women entirely divorced from politics.

• • •

Robson Black

Vice-president and manager, Canadian Forestry Association, Montreal.

I believe that the problem of unity between English and French-speaking Canadians gets nowhere by generalized discussion. When English-Canadians know French-Canadians personally by the hundreds, and share with them in civic or commercial pursuits, and speak their traditional language the harmonies usually outmatch the controversies ten to one. The important thing about any bridge of understanding is the people who cross it.

• • •

Mme. Casgrain

Prominent in Quebec women's movement. Director of Dominion Stores Ltd. Husband former Secretary of State.

I am aware of no concrete method which can appreciably accelerate or retard the development of a common patriotic ideal. Patriots are not made by decree. Propaganda and prejudice may and probably do have a superficial effect, but in the final analysis the inexorable work of nature will prevail.

Thus may we expect greater unity of thought and outlook among the citizens of Canada, regardless of the language they speak, to the extent to which natural processes have operated to mold them into true Canadians, thinking, feeling and acting as Canadians, and imbued with the same love to the same Canadian homeland. Where the welfare of that beloved homeland is concerned, all true Canadians will find themselves united by a single purpose — the determination to stand on guard for Canada.

• • •

Brooke Claxton

Member of Parliament for St. Lawrence-St. George, Montreal.

We must get it out of our heads that one race wants to dominate the other or could do so if it tried. For better or worse we are a country of two races. Let's make the best of it together.

While recognizing different characteristics we should emphasize common interests and regard our record of achievement as one record. We must have a good idea of our country, born out of Champlain, Jeanne Mance, Van Horne, J. S. Woodsworth, Banting and 50,000 of the finest fighting fliers in the world.

We must stop being afraid of growing up, get rid of all vestiges of colonialism, assume the responsibilities, attributes, symbols and opportunities of nationhood. Then our more-British-than-the-English imperialists would not serve as justification for bilious nationalists in Quebec shaking chains that never existed.

We need to know where we are going and have a sense of national purpose that will survive victory. Class and race divisions would count for little if every Canadian believed that it was the will of the whole people that he and his children would have education, work, security and freedom. We would march better in step if we had a common goal.

We should get to know each other. Almost one third of the people of Canada have never known personally a member of the other race.

We should translate each other's thought and feeling into terms the other can understand with pictures, photos, films and exhibits, and encourage translations. A foundation should be set up to stimulate and subsidize this work.

We should treat people of other races not like we treat each other (they would not like it) but better.

We should meet slurs whenever they are told and where they are told, not use every incident to inflame the feelings of the other group.

English origin Canadians should try to forget that the English are the only people. French-speaking Canadians should try to realize that the world is getting so small that everyone is our neighbor and can bomb us to pieces unless we take collective means to stop him.

Concrete measures will follow if we agree on the ideas.

• • •

John J. Kinley

Member of Parliament for Queens-Lunenburg, Lunenburg, N.S.

I believe greater unity of thought and outlook between French and English speaking Canadians would be enhanced if we were all better Canadians. However, I do not think there is as much difference in the outlook as is indicated by current expressions of opinion.

Conscription has been overemphasized. There is a French opinion that this is a symbol of imperialism and there are others —mostly English-speaking—who think it is the sign and test of loyalty. In economics the French in Canada are very sound and my experience is that in Parliament they are fine colleagues and normally most reasonable.

We must preserve religious tolerance without domination. Perhaps some French are too parochial and some English too imperialistic for the good of Canada. As a concrete way, education and direction seems necessary and I suggest a committee of outstanding Canadians with authority to study and make a report on the relations between the English speaking and French Canadians.

• • •

W. S. Marsh

Editor, Dauphin Herald, Dauphin, Man.

English speaking Canadians are making a tremendous contribution to the war effort because they believe with their Government that winning the war is the first consideration. But there is no fighting enthusiasm, especially in the cities, of the kind to make an impression on Frenchmen. There is no one to interpret the stolid determination of the English speaking people to liberate all people (including Frenchmen) except a group of politicians who may be more interested in retaining their own positions than in effecting consolidation of thought and effort.

French Canadians do not see so much of Canada's preparation for the fight as they do of an ever-growing internal bureaucracy that is attempting to direct their lives. In this they may suspect, rightly or wrongly, they are not being awarded a full share. Education and information is the only solution—but not of the kind provided by the average parliamentarian. This will have to be undertaken by a body of enlightened French and English speaking Canadians whose sole object must be to expound democratic ideals and the absolute need for a united Canada.

• • •

Eugene L'Heureux

Managing editor of L'Action Catholique, Quebec City.

Those who can and must play the most important part in working out Canadian unity are the university men and the persons highly educated belonging to our two great races. Those are the men who can and must design a formula, a minimum number of principles which could be accepted by all men of goodwill, in other words a sort of national creed.

They have better chances than others to make our nation accept such a generous formula in spite of all interests, desires, plots and prejudices. The answer now depends on them.

• • •

A. Stewart McNichols

President, A. S. McNichols & Co., investment dealers, and Lake St. John Power and Paper Co., prominent in Montreal financial circles.

Unity of thought and outlook in a country springs from action in common over a period of time, and hardly ever from sentimental generalities. In Canada this goal can be achieved between English and French speaking Canadians only through broad and comprehensive action predicated on a nation-wide concept of equality of status for both races. This calls for a better understanding of the divergent peculiarities of each race and for a realistic appreciation of the reciprocal value of their respective qualities. Such measures, if properly carried out, should in time pave the way for a better understanding between French and English Canadians on matters of national policy.

• • •

Oswald Mayrand

Managing Editor, La Patrie, Montreal.

"Getting together to get alike." Let us thoroughly work out this watch-word. Ignorance feeds prejudice. We should first understand each other. When most Canadians will speak English and French, there shall be no more room for misunderstanding. While we learn English, the other should learn French.

Let us have more bilingual public servants in office. Discussion of national policies should be broadminded. Let us ignore extremists of both sides or listen to them only to keep away from their short-sighted inducements and the reefs which lie along the deep and safe waters of fraternal cooperation. May we all be soon standard Canadians.

• • •

J. Marchand

Manager, Corroon & Reynolds (Canada), insurance firm, Montreal.

Give the man of the towns, and even the villages, of Quebec the opportunity of meeting his counterpart of any other province. Let him exchange views, see for himself how he is living, what are his ambitions for himself and his children; if he is a merchant what are his problems; if he is a farmer what kind of crops he is growing and what are his troubles; if he is a laborer what are the wages paid in his district for his particular trade, how much it costs him to live with his wife and children, what kind of education is provided his children.

If this were possible these men would return and tell their neighbors how the other fellow is getting along, how he lives and what he is thinking about.

To make possible such individual contacts I believe that (as far as Quebec is concerned) the local Chambers of Commerce of our small towns could organize delegations from certain parts of the province to visit other similar towns and rural districts of other provinces.

Roger Ouimet

Well-known young French Canadian lawyer. Crown prosecutor, Montreal.

I suggest adopting a true Christian attitude in every day relationships between individuals and organizations. Frequent meetings between all classes of population could be arranged so that we are not like strangers living under the same roof.

We should destroy the domination of high financial setups in Toronto. We should silence the Shields and Chalouts and stop viewing national questions from a narrow sectarian viewpoint. We should respect the constitution that makes Canada bilingual and biracial from sea to sea and treat French Canadians as equal partners in a common endeavor. We should think of Canada first and last.

• • •

A. G. Penny

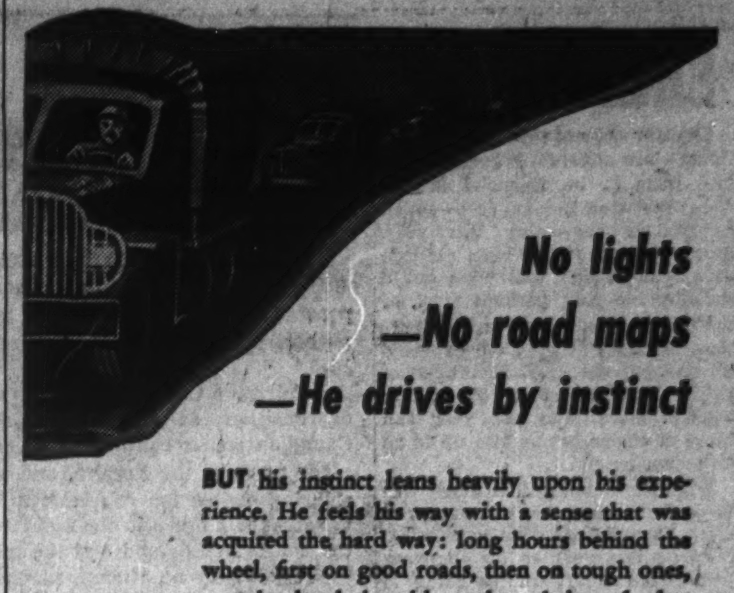
Editor, Quebec Chronicle Telegraph, Quebec City.

Divergence of thought and outlook between French and English-speaking Canadians is largely due to the fact that the mass of the people in each case lead lives as completely separate as if they were in states foreign to each other. They have their separate schools, newspapers, and radio stations which maintain separate popular mentalities leaving each element almost entirely ignorant of the other except as to what is controversial and destructive.

When differences arise they are enlarged and prejudices are inflamed to widen the breach still farther. Broaden the teaching in the schools and make use of press and radio to keep the two elements fully and continuously informed concerning each other on constructive lines. Without such foundation work the greater unity desired cannot be brought about.

(Continued on page 36)

When replies run longer than as requested, and space requirements necessitate, The Financial Post exercises the privilege of condensing them.



No lights
—No road maps
—He drives by instinct

BUT his instinct leans heavily upon his experience. He feels his way with a sense that was acquired the hard way: long hours behind the wheel, first on good roads, then on tough ones, now in the dark, with no knowledge of what lies ahead.

That is one way of expressing the problem involved today in estate management. The unsettled present and unpredictable future demand a steady, practiced hand at the wheel. In drawing your will, why not have your lawyer or notary name the Crown Trust Company as one of your Executors?

Ask for a copy of our booklet, "Your Will Power".

Crown Trust Company

Executors :: Trustees :: Financial Agents
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OUTLOOK for SECURITY PRICES

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INVESTMENT LETTERS, INC.
Directed by CHARLES J. COLLINS, 2656 Penobscot Building, Detroit, Michigan

Quotation from actual letter received from overseas
The risks we take and the discomforts we suffer are easier to bear when we know the folks at home are working and praying for us—

Believe me son We are! We are!

YES son, the men of Anaconda *are* working as they've never worked before! They're determined, too, these men who work with copper. They know what you need . . . and they know how badly.

Every minute, every hour, every day, they're stepping up production. Not of copper tube or brass pipe . . . not of sheet copper for roofing, or of bronze for hardware or screens or storage tanks. No indeed, for civilians have willingly sacrificed many of these conveniences . . . and copper has gone to war. For the very qualities that make copper so desirable in peacetime, the qualities of durability, workability and rust resistance, make this red metal and its alloys indispensable for war.

Daily the flood flows faster. More copper for projectile bands, more brass for cartridge cases and time fuses, more copper, more bronze for essential parts of guns, tanks, planes and ships. And no wonder, for the men of Anaconda, now more than 1900 strong . . . are labouring with a will to win, at mill and furnace, press and bench.

"Yes son, for you whose risks we cannot take . . . we're working . . . and praying, too."

ANACONDA Copper and Brass

ANACONDA AMERICAN BRASS LIMITED
(Made-in-Canada Products)
Main Office and Plant: New Toronto, Ont. *Montreal Office:* 939 Dominion Square Building

Anaconda Copper & Brass

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WAR SAVINGS STAMPS NOW
At Your Drug Store

"600,000 people waiting to see you, sir"

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If you want to be sure your firm is well thought of *throughout Canada*, the Star Weekly will carry a good impression to one out of four English-speaking families any week and every week!

And there's much more to the Weekly than out-and-away leadership in circulation. We have proof of unusually high *readership* all the way through *every section*.

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LARGEST CIRCULATION IN CANADA *plus* HIGH READERSHIP

The Shareholder

Elevator companies in western Canada are apparently going to obtain little or no financial benefit from the tremendous crop which Canada is harvesting this year. Storage charges have been reduced to a scale which will wipe out a considerable part, perhaps most, of the increased earnings which elevator companies might have expected for the current year. Handlings of wheat will be about 60 million bushels more than last year and those of coarse grains also up to an unknown extent.

Whether elevator companies will be able, under the new reduced rates, to make as good a financial showing this year as for the year just closed is apparently going to depend on the extent of the available market in the United States for coarse grains.

On the other hand, it appears that most elevator companies actually will report better earnings for the crop year closed this summer than has been expected earlier due primarily to crop deliveries being somewhat higher than first estimated.

• • •

Liquor trade sources in the United States expect a buying spree of considerable magnitude within the next few weeks as consumers seek to anticipate a probable $2 a gallon increase in excise taxes, according to New York reports. This buying spree is expected to be followed by a period of curtailed sales, according to past experiences whenever a tax increase was in prospect. Distillers Corp.-Seagram and Hiram Walker-Gooderham & Worts would be directly affected.

There seems conflict in the trade as to whether or not the higher prices which the new taxes will make necessary will curtail 1943 sales volume. Some think that the sharply increased incomes of the public, particularly in the lower income groups, will lead to resumption of liquor purchases after a short period of adjustment.

The proposed new taxes have not yet been adopted by Congress and there is little indication as to when they may become effective.

• • •

Brazil's economic outlook is definitely favorable, in the view of the Investors' Chronicle, London, a fact of considerable interest to the many Canadians who hold shares of Brazilian traction and Brazilian government bonds. Likelihood of higher taxation as a result of heavier military expenditures following declaration of war by Brazil is mentioned as a possible unfavorable factor which would affect shares such as Brazilian Traction rather than government bonds. Brazil appears to be piling up large sterling-balances in London. Much of these have been used in the past in purchasing Brazilian government bonds, accounting for a large rise in price in Britain.

Market Opinions

Emphasis remains on the need for patience in waiting for developments with no immediate change in trend expected.

Barron's, N.Y. (The Trader) — Stocks have moved in a narrow 4½ point range since just after July 4. Some six weeks have now elapsed since the bottom of the summer reaction on Aug. 6. Ever since spring, dividend cuts have been taken in their stride and successive large blocks of stock have been readily absorbed. Patience has always been a bigger asset than judgment in Wall Street, and in the face of these characteristics of a sold-out market the axiom bears reiteration.

• • •

Magazine of Wall Street, N.Y.—We think the market averages probably saw their lows for the duration of the war last April. Therefore, selective purchases are favored in all periods of reaction. Important near-term movements seem unlikely.

• • •

Brookmire Counselor, N.Y. — The various Government agencies are "getting tough" which means that war production will be steamed up further; but the restricting effects also will spread, as in the latest instance of rationing, namely fuel-oil. Since the nature of the military news from day to day may have more of an influence on the near-term outlook than normally, a hedged position is advisable. Hold back a cash reserve and favor conservative stocks in any exchanges, but maintain well-diversified portfolios of high-calibre stocks.

Thompson Cadillac Sale is Contested

From Our Own Correspondent

MONTREAL.—Hon. Charles McCrea, former minister in the Ontario government and a creditor of the bankrupt Thompson-Cadillac Mining Corp., is contesting the agreement covering sale of the company's assets. He has asked the Appeal Court here to reverse the judgment of the Bankruptcy Court upholding sale of the assets.

Reliance Grain—Prospects of the company this year are as favorable as last year, according to president Sidney T. Smith. Elevators have been fairly well filled of late and with the new crop should shortly be filled to capacity.

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Are You Paying Too Little or Too Much?

What is the Proper Tax For Your Business to Pay?

(Continued from page 25)

amended to permit the holder of a public office to deduct the expenses of keeping a horse[3]; but the amendment which first authorized the deduction of depreciation was not passed until 1878.[4]

Under the Canadian Act a taxpayer is entitled to deduct such depreciation as may be allowed by the Minister.[5] The Canadian courts continually refer to and follow cases decided in other parts of the Empire, and there is little doubt that in considering claims for depreciation the Minister will be guided by the rules laid down in the numerous cases which have been before the courts in England and the other Dominions.

Very wisely no attempt has been made in Canada or any part of the Empire to tax capital or capital gains, upon the ground that you can only confiscate once but you can tax indefinitely.

What You Cannot Deduct

Subject to various exceptions, the Canadian statute does not indicate the kind of expense which may be deducted from profits, but it does prohibit the deduction of any expenses which are not **"Wholly, exclusively and necessarily** incurred for the purpose of **earning the income."**[6] The clause just quoted appears almost word for word in the English Income Tax Act of 1806.[7]

It is quite clear that the words "exclusively incurred for the purpose of earning the income" (Particularly when the word "income" means income of the current year) cannot be interpreted literally.[8] There are few business expenses which are necessarily incurred for the "exclusive" purpose of earning the income in the year in which the profit is earned. The telephone on your desk is frequently used for private messages; and the cost of advertising is usually incurred for the purpose of earning profits in the future. In addition to this, many expenses of a capital nature, such as insurance, municipal taxes, etc., are allowed because they are now universally considered proper deductions.

One of the most important things to remember at the outset is that some items of profit which usually appear in the ordinary profit and loss account may be of a capital nature and non-taxable and that some legitimate expenses must be eliminated on the ground that they were not incurred exclusively for the purpose of earning the income.

In order to ascertain your income for tax purposes you are entitled to eliminate all receipts which are of a capital nature; and from your receipts you may deduct such expenses as are permitted by the act.

Profits may be taxable when made by one person and the same profits escape taxation if made by another.

Selling Houses

Receipts may be free from tax when collected and subject to tax when accounted for. For instance, when a private individual sells his house at a profit, this is a capital gain and non-taxable[9]; but the profit made by a real estate agent in buying and selling houses is a profit of a trade and liable to tax.[10]

Moneys received by an executor may be a capital receipt but when paid to a beneficiary for maintenance are income and liable to tax.[11]

In most cases the form of transactions and the terms of agreements are considered more important than the actual result.[12] In England, certain parties agreed to sell a patent for £50,000 but the contract covering the purchase provided that the buyer should pay £15,000 cash, £5,000 in 6 and 12 months, and a royalty at the rate of £2,500 per annum for 10 years. The court held that although the parties might originally have intended to sell the patent for £50,000 and might have arranged that part of this sum should be payable in cash and the balance in instalments, in which case the whole would have been free from tax, yet what they actually did was to sell the patent for £25,000 in cash and the reservation of a royalty and this royalty was subject to tax although the cash payments were not.[13]

REFERENCES

(1) Report of Codification Committee, 1936, p. 11; (2) Gresham Life Assurance Co. v. Styles, (1890) 25 Q.B.D. 60; (3) 16 & 17 Vict. (1853) U.K., c. 34, s. 51; (4) 41 Vict. (1878) U.K., c. 15, s. 12; (5) Income War Tax Act, s. 6 (b) and (n); (6) Income War Tax Act, s. 6 (a); (7) 46 Geo. III (1806) U.K., c. 65, s. 112, Sched. D, Rules Applying to Cases 1 and 2, Rule 1 (3); (8) Riedle Brewery Ltd. v. Minister (1939) S.C.R. 253; (9) Rodd v. Commissioners (1916) R. & McG. N.S.W. Ct. of Rev. 31; (10) Emery & Sons v. Commissioners (1937) A.C. 91; (11) Brodie's Trustees v. Commissioners (1933) 17 T.C. 432; (12) Commissioners v. Duke of Westminster (1936) A.C. 1; (13) Commissioners v. British Salmson Aero Engines (1938) 2 K.B. 482.

Correspondence

More About Our Patent Law

Patent Attorney Indicates a Shortcoming

In the accompanying article, Gareth E. Maybee, of the firm of Ridout & Maybee, comments on an article on Canada's patent law which appeared in The Financial Post of Aug. 8, 1942. Mr. Maybee points out that some of the more important provisions of Canadian patent law date back to 1906, and that a major shortcoming of our patent practice lies in the treatment of resident alien patent holders.

By G. E. MAYBEE

Your earlier article about Canada's patent law was not quite accurate in saying that the so-called "working" or manufacturing provisions of our Patent Act were inserted in 1935. These provisions were amended in 1935, but similar provisions have been found in our patent law practically from its inception. Under the 1906 Act patents were automatically voided if the invention was not manufactured in Canada within two years. This was modified in 1923, and in 1935 our present compulsory license provisions were enacted.

Our Patent Act and the Patent Office Practice more nearly resembles that of United States than that of Great Britain, but the "working" provisions are similar to those in Great Britain.

There are no provisions in the United States relating to working inventions, but recent United States Supreme Court decisions say that you cannot grant licenses under your patent on condition that the licensee shall use certain unpatented materials, and neither can you set the price at which the licensee shall sell a patented product or the product of a patented process or apparatus. On the other hand there is nothing to prevent the owner of the patent from charging as high a royalty as he can get, or, if he manufactures the invention himself, from charging an exorbitant price for it, or from merely putting the patent "on the shelf" and refusing to use or permit the use of the invention

In Canada you can do what you like with your patent, or do nothing with it, but if the invention is not being practised in Canada, and the demand for the invention is not being satisfied at a reasonable price, anyone who wants to manufacture the invention in Canada may apply to the Commissioner of Patents for a license, which the Commissioner may grant on payment of a reasonable royalty to the patent owner.

With regard to paying patent application fees and renewal fees in enemy countries, the provisions of the British and Canadian Emergency Regulations permitting the payment of these fees have now been revoked, and this practice is no longer possible. Payment of fees in enemy countries has been prohibited in the United States since that country went to war, and was, in effect, prohibited even before that time, since the United States "froze" Axis funds before war began, and it was necessary to get a permit to export American funds to Axis countries, which, I believe, was never granted for patent applications.

A citizen of an enemy country or enemy occupied country not resident in enemy territory may apply for a Canadian patent, but the Commissioner of Patents has power to refuse to register an assignment of the application or patent, and can, and usually does, refuse to deliver the patent deed when the patent is granted.

This is a source of considerable annoyance to many anti-Nazi friendly residents of Canada and neutral or allied countries. For instance, a French citizen who came to this country fifty years ago and has a son in the R.C.A.F. may have his patent withheld by the Commissioner of Patents, despite the fact that such a citizen can deal freely with all his other assets and is not otherwise treated as an enemy. The Custodian of Enemy Property seizes only assets of persons resident in enemy or enemy occupied territory and certain persons who have been declared to be enemies by reason of their activities or associations. The Custodian has no interest in patents granted to enemy nationals not resident in enemy territory, yet the Commissioner of Patents insists on interfering with the right of these people to deal with their patent rights.

Too Much in The Files

The suggestion of having patent attorneys examine their files for inventions that might be of value in the present emergency is hardly feasible. In the first place many of the patent applications filed by a patent attorney come from associate attorneys in other countries, and the Canadian attorney acts only as agent in prosecuting the application. To study these and determine what might be useful would be an impossible task.

The attorney would be familiar with applications prepared and filed by himself, but would not be able to determine what would be useful, even if he had the time, unless he was kept constantly informed of all production problems facing war industry.

The best way to use the patent records to help solve production problems in war time, is for the government or manufacturer who has some special problem to solve to go to the patent attorney and have him search the records to see what others have done to solve the same problem.

A Lawyer's Job

Your article quotes a local patent attorney as stating that the business of the patent attorney is 25% law and 75% engineering. Actually the business of a patent attorney is chiefly preparing and prosecuting applications for patents. While a background of scientific knowledge is necessary, the important thing in preparing and prosecuting a patent application is the way the attorney presents his case to the Patent Office Examiner. In other words it is a very special kind of counsel work. If you are embarking on an advertising campaign you do not go to an expert in your line of business. You employ a first class advertising agent who knows how to write copy that sells goods even though he may know nothing about your product.

If you get into litigation you don't look around for a lawyer that knows all about your case. You get a lawyer that can put up a good defense for you and explain your case to him.

Similarly with a patent attorney. Modern science and engineering is a vast field. A chemical engineer knows little of the problems of the electrical engineer. A chemical engineer in one branch of industry knows little about the chemistry involved in another branch of industry.

Still less can a patent attorney be an expert in all branches of science. He must rely on the inventor for the information required to prepare the application. His job is to get at the gist of the invention, describe it in such a way that the nature and scope of the invention is clear and well defined, and then convince the patent examiner that the invention is one of the most important ever conceived, or, at any rate, quite good enough to merit patent protection. Obviously this is the work of an advocate to a much greater extent than an engineer.

I was glad to note in the article a reference to the Patent Institute of Canada. This organization has done much to improve the standards of the profession of patent attorney, and needs encouragement. Incidentally, the lawyers object to patent practitioners, who are not all lawyers, calling themselves patent attorneys or patent solicitors, and the Patent Institute is working with the Bar Association and Law Societies to endeavor to bring about the general adoption of some standard distinctive name, such as "patent agent," for those engaged in the profession of preparing and prosecuting applications for letters patent of invention.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
(Base 1935-39—100)												
1929-41:*												
High	345.7	564.5	322.3	212.5	168.2	123.2	163.1	202.1	297.5	160.9	329.3	180.5
Low	68.5	59.8	63.4	46.5	76.0	76.9	67.0	71.2	60.3	83.6	65.2	63.9
1942: Monthly Figures:												
Jan.	74.3	71.9	74.5	45.9	112.8	88.7	99.2	75.1	64.4	91.1	70.4	66.8
Feb.	73.4	69.3	69.7	43.8	108.7	85.5	96.3	73.9	62.1	91.1	67.7	64.7
Mar.	69.7	68.1	70.9	41.2	104.3	75.8	92.8	74.0	62.0	89.4	67.5	62.3
Apr.	70.6	63.2	69.6	41.4	102.4	74.2	93.1	73.9	60.2	88.4	66.3	61.1
May	74.7	61.1	70.5	43.2	104.3	73.5	94.2	75.7	60.7	87.4	66.4	62.0
June	76.2	61.1	69.6	44.5	106.6	73.9	93.6	76.8	64.3	87.7	68.1	62.8
July	76.6	58.9	65.3	46.6	100.4	75.9	95.5	75.3	65.2	81.7	67.8	62.4
1942: Weekly Figures:												
Aug. 6	75.4	57.5	61.3	46.1	97.2	76.3	97.4	74.3	67.1	75.4	67.7	61.5
Aug. 13	76.1	58.0	61.8	46.7	98.0	75.3	98.5	74.1	67.7	72.4	68.2	61.3
Aug. 20	77.0	55.4	61.6	47.5	98.2	75.0	101.3	72.7	66.8	71.3	68.1	61.6
Aug. 27	75.5	54.3	61.6	48.6	98.6	74.6	97.6	72.5	66.9	70.4	67.9	61.7
Sept. 3	75.8	54.7	59.7	48.4	98.3	75.2	96.9	71.8	66.1	69.8	67.3	61.5
Sept. 10	76.3	54.7	59.7	48.7	98.3	74.0	97.4	71.0	65.7	68.4	67.1	61.5
Sept. 17	77.0	54.8	61.3	49.0	100.0	73.5	96.3	71.0	67.0	69.2	68.2	62.0

*High and low for years from 1929 to 1941 inclusive are based on weekly figures issued by Dominion Bureau of Statistics. For 1929 to 1938 inclusive the base is 1926—100; for 1939 and subsequent years the base is 1935-39—100.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Sept. 22	85.62	60.43	59.36	15.64
Sept. 21	85.06	60.37	59.33	15.72
Sept. 19	84.84	60.18	59.49	15.70
Sept. 18	84.86	60.01	59.52	15.67
Sept. 17	84.44	60.05	59.29	15.63
Sept. 16	84.13	59.72	59.23	15.63
Month ago	85.05	59.43	58.82	15.64
Year ago	98.42	100.70	72.36	19.72
High 1942	93.50	83.71	71.01	18.86
Low 1942	79.85	58.43	58.74	15.44

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Cnd.	10 Pprs.	15 Golds
Sept. 22	42.9	54.6	50.7	52.00	39.94
Sept. 21	42.6	54.1	50.3	51.78	39.38
Sept. 19	42.6	54.5	50.5	51.00	39.24
Sept. 18	42.5	54.6	50.6	51.17	39.24
Sept. 17	42.5	54.6	50.6	51.17	39.07
Sept. 16	42.5	54.6	50.6	50.90	38.70
Month ago	43.3	54.4	50.7	49.10	38.80
Year ago	46.2	65.1	58.8	83.89	73.02
High 1942	44.8	60.5	54.7	77.18	54.82
Low 1942	39.6	53.5	49.8	47.98	36.94

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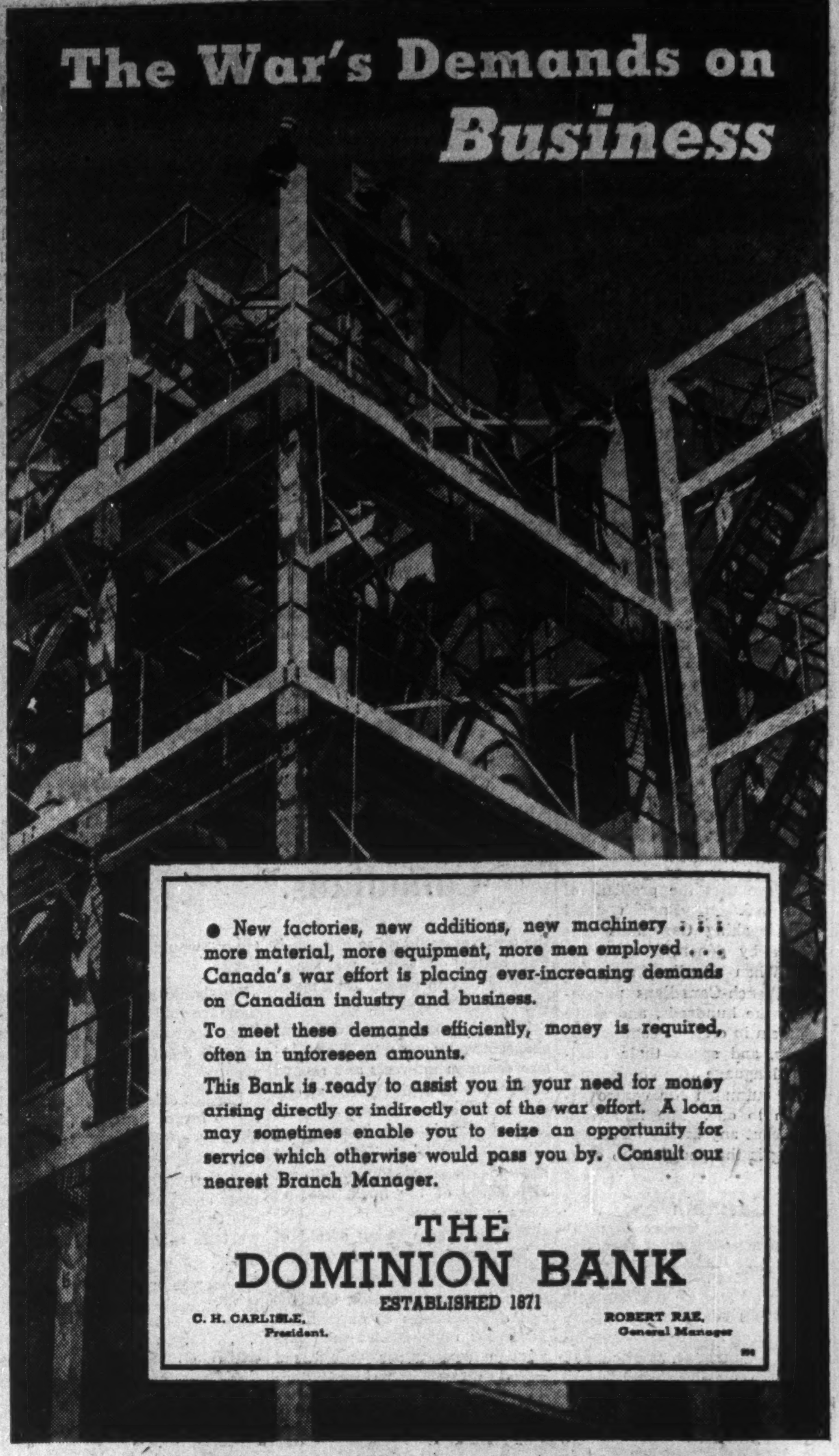

The War's Demands on Business

● New factories, new additions, new machinery . . . more material, more equipment, more men employed . . . Canada's war effort is placing ever-increasing demands on Canadian industry and business.

To meet these demands efficiently, money is required, often in unforeseen amounts.

This Bank is ready to assist you in your need for money arising directly or indirectly out of the war effort. A loan may sometimes enable you to seize an opportunity for service which otherwise would pass you by. Consult our nearest Branch Manager.

THE DOMINION BANK
ESTABLISHED 1871

C. H. CARLISLE, President.
ROBERT RAE, General Manager

Power supplied by Hydro-Electric Power Commission of Ontario to Ontario Paper Co. and Beaver Wood Fibre Co., Thorold, is to be reduced from 40,000 h.p. to 15,535 h.p. on Oct. 1 by order of the power controller. Ontario Paper Co. power supply is to be cut from 31,000 h.p. to 10,500 h.p. and that of Beaver Wood Fibre from 9,000 h.p. to 5,035 h.p. This curtailment will affect about 400 employees of the two companies who are to be placed in war industries

• • •

Bell Telephone Co. of Canada has issued another 575 shares of capital stock under the terms of its employee purchase plan, bringing the number of outstanding shares up to 839,964.

THE GERMANS SAY that they lost the last war because the "home front" gave way. That could be true . . . it could be true of any country. Here in Canada . . . in Toronto . . . every welfare group is working harder than ever before. Each one is tackling more and more problems . . . to keep misery, discomfort, trouble and discouragement out of the lives of our needy people.

If you think that every effort . . . and every cent . . . should be directed toward winning the war, then remember that the Federation for Community Service is taking on ever-increasing burdens to keep "chins up" at home. These ever-increasing burdens always come during war years. To bear them, *your* help is needed. Please give it! $698,247 is needed!

THE Federation for COMMUNITY SERVICE

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Campaign commences Sept. 23rd.
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Buy War Savings Certificates

Sherbrooke Hotel Dieu Issues $854,200 Bonds

From Our Own Correspondent

MONTREAL.—Oscar Dube & Co., Quebec City, is making a public offering of $854,200 of 3% to 3¾% serial bonds of the Hotel Dieu of Sherbrooke at prices ranging from 99 to par depending upon maturity.

Proceeds from the issue will be used to defray in part the cost of construction of the hospital which is specially designed to handle tubercular cases. The issue is secured by transfer to the trustee of a subsidy from the provincial government amounting to $1.2 million payable at the rate of $60,000 annually over a period of 20 years.

Ray Lawson Resigns Federal Aircraft Post

From Our Own Correspondent

MONTREAL.—Ray Lawson has resigned as president of Federal Aircraft Ltd., according to an announcement by the Hon. C. D. Howe, Minister of Munitions & Supply. Mr. Lawson becomes chairman of the board of the company and is succeeded as president by W. A. Newman, managing director of the company since 1941.

Standardizing Envelopes

New regulations may affect your envelopes — We shall be glad to check over your styles and sizes and advise you with regard to the changes which are coming.

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Telephone for information or send us one of each size of envelope you use that we may check them against forthcoming regulations.

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also MILITARY CLOTHS for Officers' Uniforms
Army - Navy - and Air Force
ASK YOUR TAILOR FOR ROBINTEX

The Bondholder

To reach the $750 millions objective for the Third Victory Loan in October will require a selling effort exceeding, both in broad scope and intimate detail, that of the Second Victory Loan, although close to $1 billion was raised at that time.

Salesmanship for the loan will have to be of a broader scope because of the new factors that have entered the picture. In February, at the time of the last loan, most people felt that income taxes were already onerous. They are now, of course, much heavier and are being felt more due to the payroll deduction plan.

* * *

At the same time, as Mr. Ilsley argues, it is true that in many cases the added tax imposts do not represent an undue extra burden. One of the prime selling jobs of the forthcoming loan campaign will be to put over this idea. It is a very evident fact that while many potential Victory Loan bond buyers are quite aware of their tax payments, they have not taken the trouble to compare these payments with those they made before. It is quite possible that this lack of detailed analysis will leave some with the opinion that they cannot afford a bond, although the opposite may be true.

* * *

This No. 1 selling job requires a sympathetic approach to each and every prospect, an intensification of the individualistic drive that marked the last loan. This will entail an extra burden for the hard-working loan salesmen but it is patently a necessary burden not only from the standpoint of selling the loan, but also for making it "stick." There has recently been some liquidation of war bonds, particularly in the $50 and $100 denominations—a condition that led to publication of the National War Finance Committee's much discussed advertisement, "Don't be a Welsher." The need for holding the bonds except in cases of extreme urgency is an essential point to be increasingly stressed.

* * *

The Financial Post on Aug. 22, 1942, published pertinent suggestions of some prominent Canadians for putting over the next Victory Loan. Among these was one from the West that the government consider accepting grain in excess of the quota as payment for bonds. Also stressed in these comments was the necessity for setting the public straight on the implications of the budget. Another suggestion was that the people would have more confidence if the same drastic economy now necessarily practised by individuals was more evident in government affairs. Others recognized that in publicizing the loan there must be no room left for complacency that Canadians must be plainly told that the war is still far from won.

* * *

Selection of a good slogan is a very important part of the efforts to lend impetus to the loan drive. In this regard Canada's efforts in previous loans has not been particularly sparkling.

* * *

Bond men would not be surprised to see a renewal of interest in Canadian internal bonds, providing the Canadian dollar maintains its recently firmer tone in terms of the United States dollar, comments the Wall Street Journal. The Journal goes on:

"Discount on the Canadian dollar at present is in the vicinity of 12¼% to 12%, whereas a week ago the discount was around 13%. Experts attributed the decline in value for the Canadian dollar from the point where the discount was less than 10% earlier in the summer to 13% a week ago, to factors attending end of the tourist season combined with incidence of certain bond maturities in Canada. Nearly all Canadian bonds payable in terms of Canadian currency are currently well below their tops for the year. Dominion of Canada 3s of 1958, for example, currently are quoted at around 83¾ bid, 85¼ asked, off about five points from their 1942 high."

Anglo-Nfld. Net Eases

Anglo - Newfoundland Development Co. reports 1941 net profit at $530,049, compared with $656,311 in 1940. No interim dividend was paid during the year. However, a 3% disbursement was made Sept. 16, 1942.

J. S. Goodyear, secretary, reports that despite trying conditions the mills were operated at capacity and output of pulp was slightly increased to take care of the demand. Labor and other costs were higher than in 1940, and at the close of the year were still rising.

Anglo - Newfoundland Development controls Terra Nova Properties, which holds a 50% interest in Buchans Mine, Newfoundland base metal producer. Demand throughout the year for labor due to the considerable construction work going on in Newfoundland caused the loss at Buchans Mine of a large proportion of its skilled workmen, particularly underground workmen. Such men as could be hired to offset the loss were mostly unskilled. As a result there was a drop of approximately 8% in the tonnage mined and milled as compared with previous years and a drop of about 7% in concentrate production.

Bond Tenders

Noon, Sept. 28, Sch. Mun. of Town of Montreal East, P.Q.—$75,000, 4%, redeemable in 20 years, by annual series. J. A. Forest, sec.-treas.

5 p.m., Oct. 5, Cap-de-la-Madeleine, P.Q. —$53,000, dated Sept. 1, 1942, redeemable serially from Sept. 1, 1943 to Sept. 1, 1962. F. Beaumier, cler.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Wood, A. & J. ..	*6%	1944	Oct. 1	103
Eastern Car	*6%	1952	Jan. 1	105

*$29,500. *$52,000.

POWER DIRECTOR

A. Sidney Dawes, of Montreal, who has been elected to the board of Montreal Light, Heat & Power Cons., filling the vacancy left by the late T. B. Macaulay. Mr. Dawes is president of the Atlas Construction Co.

Quebec's Power Plans Delayed, Not Abandoned

Scheme for Provincial Hydro Unlikely to be Pushed During War, But Might be if Politically Expedient

From Our Own Correspondent

QUEBEC.—Plans for nationalization of the privately owned power properties in Quebec province are dormant and may remain that way for the duration. But the scheme is by no means dead and might again become a very live issue.

Except among the more radical of the Nationalist followers, there is comparatively little interest in the public ownership problem. The "power issue" has been kept alive by a small group of politicians and politically it is regarded as "dynamite."

Last spring the Godbout government recognized the situation by passing legislation which enables the government to take over properties to form a provincially owned Hydro.

The legislation might have been implemented at the time, except for three reasons:

(1) Lack of spontaneous support from the people and the press;

(2) Difficulties in arriving at an equitable price due to the greatly inflated earnings of the power companies arising out of wartime business.

(3) The intimation from Ottawa that such a move at this time would be harmful to the war effort.

The absence of action by the Quebec government to implement its power policy has been primarily due to the latter consideration.

Quebec has by no means abandoned its plans to take over the power companies. It is believed the government would consider any offer, which it believed reasonable, if put forward by one or more of the power companies. So far such an offer has not been forthcoming and there the matter rests.

The power question is one of the principal talking points of the opposition groups in the provincial legislature and would be a major issue in an election campaign. Premier Godbout, however, has stated categorically that he has no present intention of going to the country.

Dominion Has August Deficit $137 Millions

Despite an increase in August revenue of $58 millions over a year ago, deficit from Dominion government operations during the month amounted to $137 millions, compared with $17 millions for August, 1941. For the first five months of the current fiscal year deficit stands at $586 millions, against an operating surplus of a little over $27 millions a year ago.

Practically all of the gain shown in August revenues was made up of income and excess profits taxes, these amounting to $90 millions against $38.3 millions last year.

War expenditures were substantially higher at $173 millions compared with $98.9 millions last August. This brings war expenditures for the fiscal year to date to $839 millions against $408 millions in the first five months of the 1941-42 fiscal year.

Another $100 millions was made available to Britain under the U. K. War Financing Act, bringing the total up to $648.9 millions, or practically 65% of the billion dollar gift.

Ordinary expenditures during August totalled $26.2 millions compared with $23.5 millions in August, 1941. This increase was in the face of an $800,000 drop in interest on public debt. Largely accounting for the gain was provision of $380,166 as compensation to the provinces under terms of the taxation deal, increases of $290,000 to office of the coal administrator, $600,000 to Unemployment Insurance Commission, $160,000 to legislation, $370,000 to pensions and national health and $505,000 to Maritimes Freight Rates Act.

August

	1942	1941
	$000	
Receipts:		
Customs duties	9,922	11,734
Excise duties	12,438	10,005
Ex. taxes, sales, etc. ..	41,877	40,379
Inc. & E. P. taxes	90,050	38,308
Post office	3,940	3,001
Sundry	5,058	3,032
Special	895	153
Total	164,181	106,614
Expenditures:		
Ordinary	26,267	23,586
Transport	370	408
Relief	1,252	1,107
War	173,404	98,922
U. K. War Fin. Act ..	100,000	......
P. E. I. car ferry	66	33
Other	2	64
Total	301,363	124,122

Five Months Ended Aug.

	1942	1941
	$000	
Revenue:		
Customs duties	50,604	53,813
Excise duties	52,386	42,053
Ex. taxes, sales, etc. ..	176,642	161,863
Inc. & E. P. taxes	586,680	306,287
Post office	17,440	15,713
Sundry	20,572	10,790
Special	1,988	344
Total	906,313	590,865
Expenditures:		
Ordinary	204,696	140,886
Transport	1,242	1,183
Relief	4,870	3,543
War	839,349	408,247
U. K. War Fin. Act ..	648,929	......
P. E. I. car ferry	198	198
Other	26	98
Total	1,699,312	563,156

New Bond Plan For Tecumseh

Committee Recommends Adoption of Permanent Plan to Settle Default

Debenture holders' committee for Tecumseh, Ont., is recommending adoption by bondholders of a permanent refinancing plan in place of the temporary one recommended about a year ago.

The plan calls for refunding all standing of debenture and other capital debt with an equal principal amount of new 3¼% debentures dated July 1, 1942, and maturing serially over a 40-year period.

All claims for arrears of interest will be settled by cash payments. Arrears to and including Dec. 31, 1940 would be settled by cash payments of 30% of the total claim plus an amount equal to interest at 2½% for the period from Jan. 1, 1941 to June 30 of this year.

F. L. Hancock, secretary of the committee, points out that holders of more than 70% of the outstanding debt, previously signified their approval of a temporary plan which is now being replaced by the permanent plan mentioned. The new plan has the same result as would have been experienced had the proposed temporary plan been adopted and in operation for one and half years and then a permanent plan at a higher rate of interest put in operation.

Albert-Bay Co. Calls Meeting

Bondholders to Vote on Measures to Settle Bond Default

Holders of the 6½% first mortgage bonds of Albert-Bay Co., Toronto, due Aug. 1, 1942, are meeting on Oct. 13 to consider means for settling the default.

Proposals to be presented to bondholders include the following:

(1) Maturity of the bond principal would be extended to Aug. 1, 1950.

(2) Interest from Feb. 1, 1942, would be reduced from 6½% to 5%.

(3) Principal and interest on bonds or coupons presented for payment in Canada should be paid as face amount in Canadian funds; interest or principal presented for payment in the United States would be paid in the U. S. funds equivalent to the Canadian fund payment, converted at prevailing exchange rates.

(4) Beginning Feb. 1, 1943, the company is to pay to the trustee annually $10,000 as a sinking fund.

The company is to undertake to pay all municipal taxes up to the end of 1942. The $10,500 principal amount of bonds held by Federal Building Corp. are to be surrendered and cancelled on payment of not more than $5,632.

Albert-Bay Co. owns a twelve-story building known as the Dominion Bldg., Toronto. There were $318,500 of the 6½% balance outstanding at Nov. 15 last.

Seagram Gets New Plant

Design of a $4 millions plant for Joseph E. Seagram & Sons by a Detroit architectural firm has been revealed in the United States. The new plant is intended to make a commercial application of the "sauerkraut bug" process of making butylene glycol from grain. This process is planned to be a short cut with a higher yield in obtaining butadiene, used in making synthetic rubber, than is the method of making it from alcohol.

The major producing plant, now reported off the designing tables, would have a capacity of 15,000 bushel of grain a day and an output of 20,000 tons of butadiene a year.

The new "sauerkraut bug" process is said to involve three steps. Butylene glycol is first produced from grain; next step turns the butylene glycol into butadiene; and the final manufacturing stage turns the butadiene into synthetic rubber.

TOWNSHIP OF SCARBOROUGH

Notice of Intention to Redeem Certain Debentures

To the Holders of Debentures of the Township of Scarborough, dated the 1st day of January, 1940, and maturing in the years 1953 and 1954, both inclusive.

The Corporation of the Township of Scarborough. To the Holders of Debentures numbered:

1122-17
1122-17A
1124-17
1124-17A
1124-17B
1124-17C
1124-17D
1124-17E
1137-17
1171-16
1175-16
1179-16
1200-16A
1200-16B
1220-16A
1220-16B
1220-16C
1220-16D
1220-16E
1220-16F
1222-16
1222-16A
1222-16B
1222-16C
1225-16
1225-16A
1225-16B
1225-16C
1249-15
1282-15
1282-15A
1282-15B
1282-15C
1282-15D
1282-15E
1282-15F
1282-15G
1282-15H
1282-15I
1282-15J
1282-15K
1282-15L
1282-15M
1283-15
1283-15A
1283-15B
1283-15C
1283-15D
1332-14
1333-18
1333-19
1334-14
1346-50
1346-51
1346-52
1346-53
1346-54
1392-13
1410-11
1413-13
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1417-42
1417-43
1417-44
1430-16
1430-17
1491-12
1495-12
1496-12
1500-39
1500-40
1500-41
1500-42
1500-43
1538-108
1538-109
1538-110
1538-111
1538-112
1538-113
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1694-11
1694-12
1707-9

Issued under Plan for the readjustment and reorganization of certain debenture indebtedness of the Corporation of the Township of Scarborough.

Take notice that by-law No. 3129, passed on the 14th day of September, 1942, pursuant to said Plan, the Council of the said Corporation has authorized and directed the redemption of the above numbered debentures on the 15th day of December, 1942. Upon presentation and surrender of each such debenture at the principal office of the Canadian Bank of Commerce, in the City of Toronto, on the 15th day of December, 1942, the person entitled thereto will receive payment of the principal amount thereof, together with accrued interest to that day.

From and after the 15th day of December, 1942, interest on the principal of the debentures so to be redeemed shall cease to accrue.

Any of the aforementioned Debenture holders wishing to obtain payment of their Bonds prior to December 15th, 1942, may do so upon presenting their Bonds to the Main Office of the Canadian Bank of Commerce, where payment will be made for the Bond, plus accrued interest at the rate of 4½% to the date of presentation.

Dated at Toronto, Ontario, this 15th day of September, 1942.

JAMES O. KESSACK,
Treasurer of the Corporation of the Township of Scarborough.

Donnacona Paper Holds Position

Newsprint Division on Part Time, but Pulp and Board Sections Active

From Our Own Correspondent

MONTREAL.—Operations of Donnacona Paper Co., continue at a relatively high level, but because of a number of indeterminate factors, it is not possible at this stage to forecast earnings for 1942. Last year operating profits amounted to $1.4 million, with net profit on the capital stock of 28 cents a share.

Though the market for insulating board and pulp is somewhat easier in tone, the company has experienced no difficulty in marketing its complete output. The newsprint division, on the other hand, has experienced a contraction in demand, with output currently running around two thirds of rated capacity.

Adequate Wood Supply

So far the company has not been unduly affected by the manpower or power situation. The woodpile at Donnacona is considered quite adequate. Cutting in the woods is about finished and the company expects no particular difficulty in getting the wood down to the mill next spring.

The labor supply at the mill is a matter of importance to all the pulp and paper operators. To date Donnacona has lost a number of men due to enlistments or going into war work, but the force on hand is sufficient for the current scale of operations.

Hull, Que., funded indebtedness at the end of September totalled $3,959,800, the first time the civic debt has been below the $4 millions mark since 1931.

Montreal Power Revenues On All-time Record Basis

From Our Own Correspondent

MONTREAL.—Revenues of Montreal Light, Heat & Power Cons. are running at a record level. So far this year income has averaged around $2¾ millions a month, and gross income for all of 1942 is expected to reach the record figure of $33 millions. This contrasts with $31.1 millions in 1941.

The expense ratio has been maintained at last year's level. Because of the higher cost of materials, expenses of the gas division have been somewhat larger, but the gain in that department has been offset by lower expenses in the electrical department.

No estimate is available as to the prospective net income figures for this year. The "dim-out" is not expected to have any material effect on earning power. No difficulty will be found in finding a market for the power saved. While gross income from domestic and commercial business probably will be off moderately, the net profit will not be affected because of the saving in income and "excess" profits taxes.

CANADIAN GOVERNMENT BONDS

BELL, GOUINLOCK & CO.
LIMITED
MONTREAL TORONTO WINNIPEG

T.I.W.
STEEL PLATE WORK
While operating to capacity producing War equipment, we will do our utmost to take care of our customers' urgent requirements.
DESIGNERS - FABRICATORS - ERECTORS
STORAGE TANKS
PRESSURE TANKS
BINS AND HOPPERS
WELDED AND RIVETTED PIPE
THE TORONTO IRON WORKS LIMITED
TORONTO MONTREAL

Sarnia will receive an estimated $7,000 annually from a tentative 10-year agreement whereby the city will provide Polymer Corp. with a maximum of 300,000 gallons of water daily. Polymer Corp. is a wartime industry now being established in Sarnia.

The WESTERN SAVINGS and LOAN ASSOCIATION
HEAD OFFICE: WINNIPEG, MANITOBA
OFFICES
Agency Building - - - - - - Edmonton, Alta.
221 A 8th Ave. W. - - - - - - Calgary, Alta.
McCallum-Hill Building - - - - - Regina, Sask.
411 Avenue Building - - - - - Saskatoon, Sask.

FROM THE GROUND UP

In airport construction and in the manufacture and servicing of the aircraft which soar over these flying fields, products of Canadian Ingersoll-Rand Company play an important part.

Canadian Ingersoll-Rand air compressors and rock drills have broken ground for many a runway, while air-operated tools have facilitated construction of buildings on airports from coast to coast. In the aircraft factory, compressed air speeds up many important operations through the use of pneumatic tools, air hoists, spray guns and other labour saving equipment.

In the repair depot compressed air increases the "availability" of aircraft for service through reducing overhaul time, while on the airport Canadian Ingersoll-Rand pumps supply water for many services, including heating and fire protection.

* * *

We are pleased to have this opportunity of paying tribute not only to the Air Service, but also to those men who, through engineering genius and constructional ability, have contributed to the success of the British Commonwealth Air Training Plan.

Canadian Ingersoll-Rand Co. Limited
head office MONTREAL QUE. —— works SHERBROOKE QUE.
branches at SYDNEY - SHERBROOKE - MONTREAL - TORONTO - KIRKLAND LAKE - TIMMINS - WINNIPEG - NELSON - VANCOUVER

The Editorial Page . .

Bickering is Dangerous

It would be wise for each of the United Nations to remember that they are fighting this war together, that separately they would not be able to fight it at all. This advice comes from an extremely shrewd observer at Washington and its value can hardly be over-estimated, especially at this time when we are largely on the offensive.

The average citizen with no military responsibility and with little real information on the strategy and economic problems involved in this war, is too prone to criticize the actions of our various partners. After every major reverse—and there have been plenty of them—there has been an outburst of this sort of thing. Far too many of us forget that that is the most dangerous time for such recriminations.

More than ever after one of us has just been mauled, must we pull together, or we are tempting the same sort of disaster that overtook France, Czechoslovakia, Holland, Belgium and almost a score of other nations.

Germany and Japan are now so strong that neither Russia, Great Britain, nor even the United States could hope to beat them decisively singlehanded. Banded together and supported by a host of smaller nations, the job is going to be tough enough. But it can be done.

Let us learn from our defeats and stop playing into Hiter's hand by bickering amongst ourselves.

Mr. Ilsley Follows Through

After Finance Minister Ilsley announced his record-breaking taxes last June, some alarmists predicted that when the public finally weighed the new load, a wave of strikes would sweep the country and war enthusiasm among businessmen and industrialists would slump disastrously.

That, of course, was an unwarranted view. It came from parties completely out of touch with the general public, people who grossly under-estimated the intelligence and loyalty of the Canadian citizen.

The average worker, business man or industrialist in this Dominion is no shirker. He is willing to pay any price to wipe out the Nazi-Jap threat to his liberty and his way of life. But to ask him to pay the extremely heavy price of the new taxes without warning or explanation would certainly have led to confusion and misunderstanding.

Fortunately there was explanation.

Hon. J. L. Ilsley is an extremely busy man. Few if any in the whole Dominion are carrying a greater load of actual work and responsibility. Yet he took time to address thousands of workers, who, for the first time in their lives, were facing stiff personal income taxes. He explained to these workers just why these higher taxes were essential. He told them what he was going to do with the money and promised there would be no waste.

In return he learned first hand their reaction to the new taxes, and something of their special problems of meeting them.

Had the Minister of Finance overlooked this vital follow-through of his tax programme, the results might have been much less satisfactory.

Apple Sauce is Saved

Apple sauce has had a narrow escape.

With our wartime law and order-in-council makers grinding out new regulations for our preservation as fast as the machines will go, here is a healthy reminder of the vast network of interrelationships between things; of the fact that you can't touch one thing without producing wide and perhaps undreamed of effects on other things.

"Canada's national dish" as The Farmer's Advocate trustingly calls apple sauce, requires sugar and no other sweetener, it seems, works so well. But in the original sugar regulations no provision was made for stewing fresh fruit for immediate use. If it was being preserved for winter, well and good, but not for serving at the next meal. And yet this is the way a large part of the apple crop is handled. It looked like the end of apple sauce and a major blunder on the part of Donald Gordon.

But correction came promptly. The ban of sugar for apple sauce has now been lifted and a standard fall and winter dessert preserved for the nation.

The Financial Post's Platform For War

1. *Effective mobilization of all resources, materials, productive capacity and manpower, without reservation, for an all-out war effort.*
2. *A national cabinet, representative of all loyal groups, and consisting of Canada's ablest brains.*
3. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
4. *A non-political industrial executive to organize and direct procurement of war supply.*
5. *Pay-as-we-go policy, to the very limit consistent with an all-out war effort, to avert inflation.*
6. *Elimination of wasteful spending by public bodies or private individuals.*
7. *A national programme for postwar Canada, providing for fullest possible employment and improving social standards, through free competitive enterprise.*

For the Time Being Only

In its wartime controls of industry, the Dominion Government, in some cases, is actually following a course which it penalized by heavy fines only a short time ago. A first appraisal might class the situation as an anomaly but then war itself is an anomaly in that it upsets most traditions of a democratic economy.

As a temporary boost to greater production, the controls and mergers forced upon industry by wartime necessity can probably be justified. If continued into peacetime, however, they would result in a stifling of personal initiative and consequently of all development and progress.

Speaking generally, we are forced to fight this war with present materials and capacity. For the time being, industry and the individual citizen are asked to give up the spur of private competition, curtail the search for new peacetime products and processes, in order that they may better fight a world dictatorship which, if successful, would fasten upon all of us a combine that would paralyze all private incentive forever.

Revision is in Order

Most people who have any idea of the mass of detail confronting the staff of the income tax department officials sympathize with them in their efforts to get the new regulations running smoothly. Obviously there is a great amount of work involved in getting rulings worked out which will apply equitably to all parts of the country.

Under such circumstances it is natural that some decisions reached are later regretted and should be revised. In this category would seem to fall the regulation that requires an employer to make regular and specified deductions from an employee's wages even when the latter is known to be on a temporary basis and not earning the minimum taxable income of $660 for any calendar year. Students taken on for the holidays would be an example.

Taxes collected on such incomes are eligible for refund but the employee making application will have to wait many months for the return of his money. In the meantime the time of both the employer and the tax official have been wasted filling out forms, and the temporary employee, who undoubtedly needs every cent he is able to earn, has had part of his wages withheld for a considerable period.

Surely some simpler way can be devised for dealing with such situations. The present method is cumbersome, unfair and wasteful, and a demonstration in red tape that will hardly impress those men and women of to-morrow who are making their first wages today.

Editorials in Brief

A gesture of goodwill to Canadians by an international organization with headquarters in Chicago cannot be overlooked. The Financial Advertisers Association, on the front cover of its September Bulletin, reproduced the Union Jack in colors. It corresponded in size to the Stars-and Stripes on the Association's July number, and is indicative of the spirit of fellowship which the present conflict has inspired.

• • •

An elaborate, illustrated pamphlet entitled Consumers' News is being issued regularly by the Consumers Branch of the Wartime Prices and Trade Board. Short interesting articles in this explain current W. P. T. B. regulations and tell consumers how they can adjust themselves to the new rationing. Undoubtedly this is an excellent and valuable service but couldn't the Board do the job much more economically and efficiently by distributing this information through the regular newspapers and magazines of the country instead of going to the considerable expense of printing its own newspaper? Otherwise to reach every household some two million of these pamphlets would have to be printed.

The Postwar World . . .

For 20 years dynamic and colorful Sam O. Dunn has been editorial chief of the outstanding U. S. business newspaper, Railway Age. Herewith The Financial Post reproduces an important editorial from his publication.

Who Will Shape Postwar Economy?

Believers in private enterprise should be studying, planning and discussing the postwar economy now for at least three reasons.

First, they should prepare themselves to offer a definite programme to the public in competition with that which will be offered by promoters of a postwar government-planned economy.

Second, they should be eliminating practices from private enterprise that weaken it internally, as well as resisting government policies intended ostensibly for other purposes, but intended actually to undermine private enterprise.

Third, they should be propagandising for private enterprise after the war, and should not meantime render their propaganda ineffective by practices which, when attacked, cannot be defended to the public, because demonstrably (a) contrary to the true principles of private enterprise, (b) contrary to the public interest, or (c) in violation of existing statutes.

There are opposite tendencies among the New Dealers. Those with Nazi or socialistic inclinations encourage both government monopolies and private monopolies under government dictation, because they believe non-monopolistic private enterprise undesirable or virtually defunct.

Those led by Thurman Arnold oppose all monopolies; and, believe it or not, with all his mistakes, aberrations and inconsistencies, Arnold is the best friend of private enterprise in the administration. For business in this country must decide whether it prefers monopoly under absolute government dictation—as in Germany, Italy, Russia and Japan—or free competitive private enterprise; and apparently Arnold is fighting sincerely to help save the latter.

Much business still shows, as it has for years, that it wants to eat its cake and keep it—to practise monopoly when it believes it will gain thereby, but also to keep private enterprise, the essence and essential driving force of which is competition within naturally competitive industries.

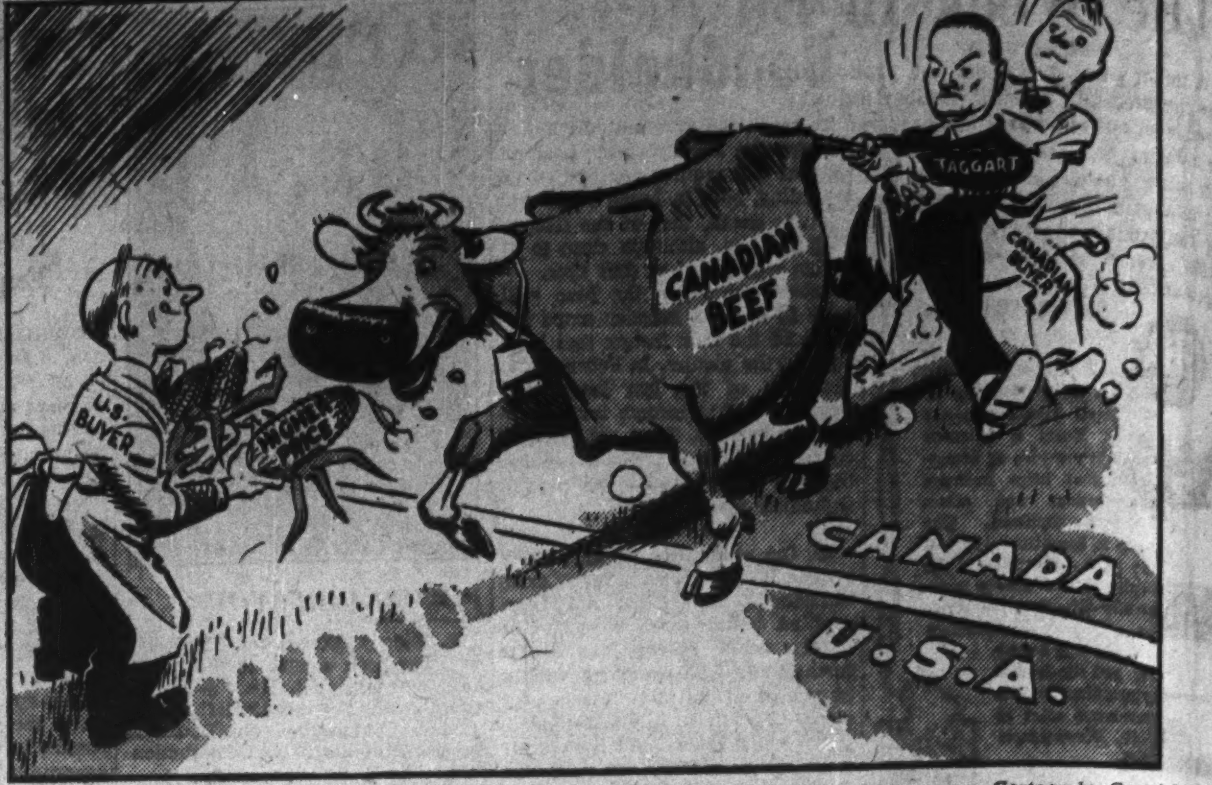
It resorts to "reciprocal buying," which tends to promote monopoly and hinder technological progress because it gives to big companies a big advantage that is unrelated to the quality and value of their products or service.

It resorts increasingly to private transportation by water and highway, and seeks and secures government subsidization of it, which tends toward monopoly because only companies already big can engage extensively in private transportation.

It strives to restrict competition by concerted action of existing companies to exclude new companies; by agreements to restrict advertising; by agreements regarding prices; and so on ad infinitum.

When the Great Depression struck, business leadership had no programme or policies to offer excepting such as would deepen and protract it. We have been credibly informed repeatedly that the original plan of N. R. A. was taken to the White House by the then President of the United States Chamber of Commerce. Being a programme for raising prices, advancing wages and reducing working hours, N. R. A. was perfectly adapted to protracting the depression—which it did; and yet at first it was widely supported by business leaders who later as widely condemned it.

Will business leadership be caught equally unprepared after the war? It will be if it again (a) fails to inform itself regarding what is necessary to make private enterprise work, (b) fails to help reform abuses in private enterprise that hinder it from working, and (c) fails to educate public opinion in behalf of a reformed private enterprise that will work.



Cartoon by Grassick.

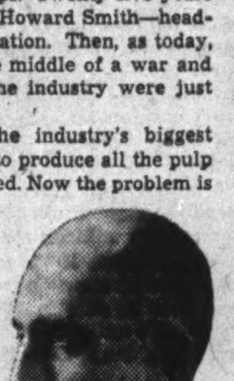
IRRESISTIBLE BAIT

Post-Scripts . . . . .

Follows His Father

Reserved, ascetic-looking Edmund Howard Smith, who replaces R. L. Weldon as president of the potent Canadian Pulp and Paper Association, follows in his father's footsteps. Twenty-five years ago his father—C. Howard Smith—headed the same association. Then, as today, Canada was in the middle of a war and the problems of the industry were just as great.

Back in 1917 the industry's biggest problem was how to produce all the pulp and paper demanded. Now the problem is how best to fit in the industry's operations with an all-out war effort which makes insatiable demands on manpower, electric power and materials.



MR. SMITH

In choosing E. Howard Smith as president the association picked on a man who has spent all his life in the paper industry and one who is more than ordinarily interested in furthering the war effort and the industry's fortunes. His twin sons, Bob and Howard, are on active duty as lieutenants in the Royal Montreal Regiment. His father welded together the largest fine paper manufacturing firm in the Dominion and in his day was a force in building up what is now Canada's largest manufacturing industry.

The name of Howard Smith is synonymous with fine paper throughout the Dominion and in many foreign countries, but less well known is E. Howard Smith. Though he is vice-president in charge of sales for Howard Smith Paper Mills, he rarely has come to public attention. Reticent almost to a fault, he is highly regarded by his fellow-workers, who refer to his as "Mr. Ned," a carryover from the days when there were two Howard Smiths in the firm. Mentally alert, he is unbiased in his judgments and his great asset is his fairness in dealing with others.

Like many another man in his age group—47 years—his education was interrupted by the Great War. He served as a lieutenant with the Canadian Ordnance Corps from March, 1916, to Jan., 1919. Upon demobilization he returned to McGill University and in 1920 completed his course in engineering.

While at university he worked in one of his father's paper mills during the summer holidays, except for the war period. After graduation he joined Howard Smith Paper Mills as a clerk. Then he became resident mill manager at Cornwall; treasurer at the head office; managing director; vice-president and managing director and, in 1934, vice-president in charge of sales.

Always interested in association work Mr. Smith is a past president of the Ontario Pulp and Paper Makers Safety Association and past chairman of Quebec Division of the Canadian Manufacturers' Association. In addition, of course, he has been closely identified for many years with the Canadian Pulp and Paper Association.

When his own and association work permits, the new president of the C. P. & P. A. turns to golf or a camera, with which hobbies he has attained more than an ordinary degree of proficiency.

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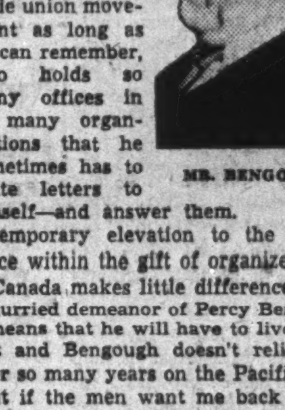
Writes Himself Letters

President Tom Moore's illness has resulted in the choice of Percy Bengough of Vancouver as acting president of the Trades and Labor Congress of Canada. For the time being, therefore the west coast has lost one of its most picturesque and outspoken labor leaders — an affable hulk of a man who has been active in the trade union movement as long as he can remember, who holds so many offices in so many organizations that he sometimes has to write letters to himself—and answer them.



MR. BENGOUGH

Temporary elevation to the highest office within the gift of organized labor in Canada makes little difference in the unhurried demeanor of Percy Bengough. It means that he will have to live in the east and Bengough doesn't relish that after so many years on the Pacific coast. "But if the men want me back there I guess that's where I belong," he says.

The remark is typical of Bengough, who has never tried to foist his own strong views on an unwilling group, who usually contents himself with seeing that his associates know all the facts and then riding along with the majority —usually as their leader. Bengough has none of the attributes of the so-called "labor boss." As a matter of fact, most of his posts with labor have been in a secretarial capacity, although in his case the secretary often dominates the meeting rather than sits meekly and silently, recording the minutes. Bengough likes to talk and he is an effective debater; almost invariably he has something worth while to say.

"My chief trouble is that I say 'Yes' too often when they crowd work on me," says Bengough with a grin, "I'm always accepting positions; I don't seem to know how to refuse. And that makes it tough for me. I'm spread too thin. That's one advantage of my new job. I'll have to concentrate on one thing."

As vice-president of the Trades and Labor Congress and chief administrative officer of that organization for Vancouver, Bengough is responsible directly or indirectly for the labor affiliations of 50,000 skilled trade workers, 35,000 of them in British Columbia. His authority extends over 155 trade unions in British Columbia and all those affiliated with them west of the Great Lakes.

London-born, Bengough joined the trade union movement in England as a youth. He was a machinist by trade— or engineer, as he was called in the Old Country. When he came to Canada in 1903 he found that his union ticket meant nothing. There were no jobs to be had in Edmonton, where he first settled, and so he drifted west and found a job as logger in the Crows Nest country. In 1907 he went on to Vancouver, found a job at his trade, and soon impressed his union so much that he was made an official. His own union was then 40 strong and funds sent back to the parent union in Britain had to be converted into pounds, shillings and pence. Today the union has 700 members, the growth being largely due to his ability as business agent.

When the International Labor Congress used to meet in Geneva Bengough was a representative of the Canadian government on three occasions. He also was an active figure in such international organizations as the Institute of Pacific Relations. He has been governor of the University of British Columbia, commissioner on the Industrial Disputes Board, director of the British Columbia Safety League, and a member of more community bodies than he can recall.

Bengough's leanings have always been toward conservatism in the labor movement and he has had little patience with the radical elements whom he has openly assailed on more than one occasion. He believes that in his new office in the Labor Temple on Ottawa's Beatty Street he will be able to accomplish something worth while in labor's most critical era.

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C.P.R. Takes Wings

Quietly the Canadian Pacific Railway have been preparing for the new transportation after the war. Dominant feature will be airline feeders instead of branch rail lines. These feeders, some of which rival the C. P. R.'s transcontinental in distance, are now being developed and also the staff to operate them. Typical of the type chosen for the latter is Donald B. Wallace. Last week he was appointed assistant to the vice - president and general manager of Canadian Pacific Airlines. At 33 he is the youngest executive officer in the huge C. P. R. organization.

MR. WALLACE

Enthusiastic, blond and husky, Don Wallace hails from the Maritimes. He was born in Halifax, finished his formal education at Acadia and the University of Toronto. From the latter he graduated in 1934, having specialized in economics and transportation. Fresh from college he got his first job with The Financial Post, where he was attached to the editorial staff, and moved to the Canadian Pacific in 1935.

With that company on the comptroller staff he dug up facts and figures regarding unification and other current railway problems. Then followed a trans-Canada tour as C. P. R. observer with the Rowell-Sirois Commission. This gave him indispensable background for the job of assistant to C. P. R.'s well-known and well-versed P. C. Armstrong.

Not long after the outbreak of war came Wallace's first break from rail to air. The Canadian Pacific was organizing the Atlantic ferry. Wallace was loaned to help. He emerged as Administration Manager.

When the completely organized and smooth-functioning ferry business was turned over to the present authorities, Wallace was recalled, appointed special representative and spent a good deal of his time as observer around Ottawa.

Later on when the world's longest transportation system decided to give wings to its rail routes, the Wallace air experience was not forgotten and he was put on the road leading to his present job.

Don Wallace has travelled extensively over practically all the rail lines in Canada and more recently has made inspection tours of the new C. P. R. Air Lines which operate well into Alaska. In between travels he has found time to contribute many articles to various publications, including two just a few weeks ago, on northern air routes, to The Financial Post.

Mr. Wallace is married, has a family of two and lives within easy commuting distance of the Canadian Pacific head office in Montreal.

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Stop Me If . . .

A dentist who had heard the whereabouts of a patient who had skipped, leaving the bill unpaid, sent him this note:

"Will you please send me the amount of your bill and oblige."

With no unnecessary delay came this answer. "The amount is $14. Respectfully yours, etc."

Sayings of the Week

"Food is no longer used to satisfy appetites pleasantly—it is a munition of war and is recognized and treated as such."—*Lord Woolton, British Minister of Food.*

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"The Press has a great role to play in the winning of this war which is not an ordinary war, but the most important of all wars."—*Finance Minister Ilsley before the Canadian Daily Newspapers Association last week.*

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"No complaint is big enough to warrant ceasing the manufacture of munitions and war supplies for a single day." —*Hon. Humphrey Mitchell, Minister of Labor before the Canadian Congress of Labor.*

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"Three years ago, the Germans said, we have won. Two years ago, they said, we shall win. This year, they say we must win. Next year, they will say we cannot win."—*Douglas Miller, author of You Can't do Business With Hitler.*

Other People's Views . . . .

The Canadian Editorial of the Week

The Lesson of Dieppe

Vancouver Province

The losses at Dieppe present us in acute form with another question—the question of our available reinforcements for the army overseas. If the whole Canadian Corps had been engaged in battle—as it might well be when the effort is finally made to establish a bridgehead on the European shore—and if casualties were on the same scale, there would not have been sufficient reinforcements in England to fill the ranks after one day's battle.

If the small force that attacked Dieppe had suffered the same rate of losses for seven days, every man at present available as reinforcements would have to be used to fill the ranks of these two brigades.

Casualties in modern war, when battle is openly joined, are on a tremendous scale. In Canada we have gone on blithely forming division after division, each with complete complement of staff and trappings, as if, once constituted, a division stood impervious to losses or wastage. The result has been to give the Canadian people an entirely false impression of our war effort, and to conceal the need for an all-out policy of selective service.

Our policy, or rather our lack of policy, is beginning to catch up with us. We allowed older men, excellent mechanics and artisans, to go into the ranks of the active army, and the result of that policy is showing in the figures for wastage. We allowed strapping young men to go into the shipyards and war industries in the feeling that they were giving essential war service, and now we have a shortage of men available for active service.

A hundred thousand men as reinforcements for our present units in England should be regarded as a minimum. We fall so far short of that figure that we should regard the position as alarming.

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As Others See Us . . .

The Weeklies

Collingwood Enterprise-Bulletin

The weekly newspapers have always had a staunch friend in The Financial Post. But in a recent issue it had a further word to say of them, this time largely in respect to the part they are taking in the present serious days. We quote, "the great importance of explaining to the Canadian public each step of wartime controls, every sacrifice that is being required, emphasizes afresh the immense service of Canada's weekly newspapers."

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Casualty Lists

Simcoe Reformer

A strange controversy has arisen over the publication of complete casualty lists. The United States, we believe, has banned the publication of these complete casualty lists and this has stirred up controversy.

In Canada The Financial Post devoted a page recently to answers to this question, which headlined the page: "Should we ban the publication of complete casualty lists?" The answers published are all from civilians—perhaps necessarily so— and they reflect the civilian mind very faithfully. It is too bad that we cannot have a revelation of the soldiers' mind on the question.

The question itself is asked, apparently, because there is some doubt about the effect that the publication of these casualty lists may have on morale at home. The sight of these lists may be a shock to an ease-loving, luxurious people; at best they will be harrowing to the feelings of those who stay at home; and, of course, the feelings of the stay-at-homes must not be harrowed. Remarks on the Dieppe casualty lists made by certain newspapers—in fact the very manner in which they were reported—revealed an anxiety on this point.

There is nothing like casualty lists, such as were published after the Dieppe raid, to make us understand what it means to be fighting for our very lives. There is nothing like such lists to cure us of the softness, the luxurious ease, the irreligion and the immorality of a fancied security. Our own impression is that the publication of these lists has sobered the nation—perhaps "awed" would be the better term—and has led it to bow the head with a new reverence for God; a new sympathy for those bereaved; and a new admiration—amounting almost to worship—for the heroes who went so gallantly into the conflict.

Certainly it would be a very great mistake to ban the publication of the fact that the man had won the right to have his name passed down to posterity with those deathless words written after it. They form a legacy far more valuable and honorable than property or money.

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Farmers and Tea

Stouffville Tribune

The Financial Post is good enough to point out that an unfair situation exists as between the farmers' tea and coffee ration as compared with his city brother, but it may be easily adjusted by the Wartime Prices and Trade Board now that it is called to their attention. It never was done intentionally.

The Mail-box

CBC's Blind Spots

Editor, The Financial Post:

Your story on Canadian radio is an indication of the value of radio in Canada in contacting and bringing news from the outside world to the sparse and isolated population across Canada.

On a business trip recently in connection with the Kenora Board of Trade I was very much surprised to learn that nearly all the citizens owning radio receiving sets in the rural districts depended entirely on the American broadcasting stations for the daily news and entertainment, because of poor Canadian reception.

I enquired if they ever received messages from the soldier's programme and they reported that they had received notices but were unable to get Canadian stations. I enquired of the farmers if they had heard the farm broadcasts and they said that they did not get it on Canadian stations or did not receive any benefits from the broadcasts. In some places they tried short wave and found it was French, so it was of no use to them.

I then made enquiries at the local station CKCA, Kenora, and learned that the Canadian Broadcasting Company does not cover north western Ontario from Schreiber, Ont., to Whitemouth, Manitoba. This large area is being served by a thousand watt station at Fort William and a two hundred and fifty watt station at Kenora, which is a purely local coverage. Many thousands of dollars are collected yearly in radio licenses from this area, and the Canadian Broadcasting Company reports a steady increase in yearly surplus.

Furthermore, I learned that there are duplications upon duplications of the Canadian Broadcasting Company service in the province of Quebec and in the older part of the province of Ontario which might be termed a waste of radio power service.

If we expect Canada to receive the benefits of national broadcasting service to expand our country in national education, wealth and unity we must have a national radio policy which would give a total coverage of broadcasting service across the populated area of Canada from coast to coast.

J. A. DEAN.

Kenora, Ont.

The Financial Post

Member Audit Bureau of Circulations

A weekly newspaper, presenting in a popular manner reliable information respecting investments, business and national affairs in Canada.

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RONALD A. McEACHERN, Editor

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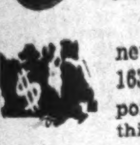
The Week in Business

A minor gain in business and production in August is indicated over the preceding month. Rubber industry is now operating at a lower level but some gain has occurred in flour milling. Meat packing industry was less active in August. The dairy industry recorded only minor changes. Raw cotton consumption is appreciably lower but newsprint production greater than in any month since April. Pig iron production is below July but well over a year ago. Railway traffic receded to a somewhat lower level, contrary to seasonal expectations.

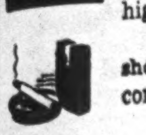
The Financial Post Business Index at 165.0 for August this year is up 1.4 points from July but is 2.9 points under August last year, according to preliminary figures.



Bank deposits, an index of great interest when a new Victory Loan drive is about to get started, at 163.0 for August are up 2.7 points from July and 5.1 points above a year ago. They are still well below this year's peak.

Railway freight loadings show a decline in cars loaded and tonnage for the latest month. As compared with a year ago, the indices at 163.0 and 129.6 are 1.5 and 1.6 points respectively higher.

Cotton consumption in Canadian textile mills was 15.2 million lb. in August. This compares with 14.6 million lb. in August a year ago and leaves the total for eight months this year 1.8 million lb., or 1.2%, higher than last year.



Cigarette consumption continues high. August showed a further gain and for the first eight months consumption is up 17.3%.

Bank debits in August totalled $3,480 millions against $3,150 millions a year ago. For the first portion of this year the total is up $3,574 millions or 14.1%.

	Aug.	July	June	May	Year Ago
§The Financial Post business index	*165.0	163.6	165.7	168.5	167.9
§Dom. war expend. (million $)	173.4	190.4	138.3	204.9	98.9
§Dom. total revenue (do.)	164.2	121.8	115.4	333.9	106.6
§Dom. total expend. (do.)	301.3	350.8	423.6	386.2	124.1
Retail sales index no.	....	150.1	150.9	149.1	134.9
Dept. store sales index no.	....	145.1	134.0	140.1	132.5
Wholesale sales index no.	....	134.2	167.5	158.7	147.1
Country store (% change pr. yr.)	....	+10.6	+14.6	+11.7	+8.8
Divd. payment index♦	123.5	122.6	121.8	120.9	118.9
§Bank deposits (1926=100)	163.0	160.3	160.1	167.8	157.9
RAILWAY FREIGHT LOADINGS—					
§Tons	163.0	176.5	188.1	182.3	161.5
§Cars	129.6	148.1	141.4	142.3	128.0
COST OF LIVING—					
D.B.S. index	117.7	117.9	116.7	116.1	113.7
EMPLOYMENT INDEX Nos. D.B.S.—					
All industries	....	175.7	171.7	167.4	157.4
Manufacturing	....	209.5	205.9	202.3	172.4
Payroll (June 1/41=100) (b)	....	130.0	125.5	124.0	103.9
§Payroll index (a) (1937=100)	....	203	201	196	170

	1942	1941	Jan. 1 to date 1942	Jan. 1 to date 1941	% Change
RAILWAYS—					
§Carloadings (week Sept. 12)	60,995	70,421	2,352,576	2,192,551	+5.3
§C.N.R. gross (week Sept. 14) $	7,860,000	6,464,000	252,134,000	206,030,000	+22.3
§C.P.R. gross (week Sept. 14) $	5,350,000	4,398,000	174,818,000	147,853,000	+18.3
§C.N.R. net revenue (Aug.) $	8,177,659	5,171,732	53,928,676	42,196,254	+27.8
C.P.R. net revenue (July) $	3,268,451	3,195,419	25,216,534	23,115,113	+9.0
IRON AND STEEL—(July)—					
Pig iron production (tons)	172,152	114,425	1,146,153	814,862	+40.7
Steel ingots and castings prod. .... (tons)	256,560	220,994	1,815,798	1,507,141	+20.4
AUTOMOBILES—(Number)—					
Passenger Cars: Domestic sales* .. (July)	712	6,305	14,756	64,388	—77.1
Trucks and Buses: Domestic sales* .. (July)	290	2,997	12,107	23,767	—49.1
Financing: Used .... (July) $	1,944,274	5,725,016	11,660,309	34,952,603	—66.6
New .... (July) $	291,045	3,478,182	5,503,691	26,151,331	—79.0
CONSTRUCTION—					
Contracts awarded . (Aug.) $	31,771,200	36,123,900	198,811,800	283,545,300	—29.8
Cement prod., bbls. (June)	1,076,733	958,869	3,469,176	3,351,121	+3.5
AGRICULTURE—					
Flour prod., bbls. .. (July)	1,590,219	2,118,986	11,315,427	12,133,485	—6.7
Cattle sales▲ ...... (Aug.)	96,176	110,413	708,029	695,702	+1.7
Hog sales▲ .... (Aug.)	331,246	341,833	3,939,989	3,652,587	+7.8
SEA FISHERIES—‡					
Catch cwts. .... (July)	1,208,300	1,630,000	5,574,600	5,362,000	+3.9
Landed value ..... (July)	4,088,600	4,960,000	14,179,000	12,615,000	+12.3
NEWSPRINT—					
Production, tons ... (Aug.)	283,239	293,054	2,152,591	2,207,671	—2.4
Exports .... (May) $	11,868,000	12,572,000	62,153,000	86,489,000	+10.0
MINING AND OILS—					
Coal prod., tons ... (July)	1,474,462	1,214,319	10,939,326	9,676,067	+13.0
Gold rec., fine oz. . (July)	431,435	453,184	2,801,623	2,993,063	—6.3
§Petroleum prod., brl. (July)	869,034	876,845	6,109,072	5,748,814	+6.2
ELECTRIC POWER OUTPUT—(July)—					
Total monthly, 1,000 kw.h.'s	2,965,655	2,661,145	21,578,039	18,393,530	+17.3
FOREIGN TRADE—♦					
Imports .... (Apr.) $	141,946,063	106,268,419	548,514,620	402,264,731	+36.3
Exports .... (Apr.)	169,997,596	118,393,094	667,451,667	410,828,290	+62.5
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. ...... (May)	172,854	152,756	701,305	782,052	—10.3
Shoes, prod., pr. .... (July)	2,597,862	2,883,741	19,091,132	17,840,663	+7.0
§Cotton consump., lb. (Aug.)	15,158,238	14,595,435	131,797,836	130,124,004	+1.2
§Cigarette cons., No.† (Aug.)	852,493	816,691	6,331,719	5,397,536	+17.3
Sugar manufactured .. lb.¶	90,167,029	87,221,405	1,199,719,338	1,137,792,237	+5.4
FINANCE—					
§Bank debits† ...... (Aug.) $	3,479,745	3,149,791	28,775,585	25,201,597	+14.1
§Bond sales† .... (Aug.) $	339,639	83,497	2,584,367	1,768,447	+46.1
Life insurance sales (July) $	44,868,000	32,681,000	283,648,000	231,447,000	+22.6

*D.B.S. All Canada figure covering 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
▲Total at yards and plants.
†000's omitted. ¶For four weeks to Dec. 31. ♦Gold excluded.
§Supplied by Nesbitt, Thomson & Co. *Preliminary.
(a) Compiled by Canadian Bank of Commerce. (b) All industries.

On the Record

Benjamin Sadowski, president and managing director, National Motors, Ltd., Toronto, appointed a member of the Motor Vehicle Dealers Advisory Committee.

W. A. Newman, managing director, appointed president of Federal Aircraft Ltd., succeeding Ray Lawson.

A short-wave radio station is to be erected at Sackville, N.B. and will be operated by CBC.

The Third Victory Loan to be opened on Oct. 19 with an objective of $750,000,000.

About 225,000 motorists will be affected by the new gasoline rationing category effective Oct. 1.

Lambton Loan & Investment Co., Sarnia Ont., has appointed G. C. Norsworthy as manager and S. A. Hyde as secretary-treasurer. Mr. Norsworthy is a former partner of the Toronto investment firm of Griffis, Norsworthy Ltd. Mr. Hyde has been with the company for the past 28 years.

Revision

Revision of the Dominion Succession Duty Act was made at the last Session of Parliament and we have republished and brought up-to-date our booklet "Notes on Dominion Succession Duties." Your estate will probably be affected by this Act. Write or telephone for a copy of this booklet.

NATIONAL TRUST
COMPANY, LIMITED
TORONTO MONTREAL HAMILTON
WINNIPEG EDMONTON

Garages Into War Plants

Subcontracting and Repair Work Makes Up For Loss of New Automobile Sales

Many of Canada's 14,000 garages have turned to war work to overcome the inroads war has made in their regular business.

Some are making tools, dies, fixtures and similar fine machine parts. Others are making airplane parts, special truck parts and parts for guns.

Some have invested thousands of dollars in equipment for their newly-adopted work; others have been able to convert equipment which they already had to new uses.

Take the case of one Toronto company which held an important dealership and had a large and regular volume of automobile repair work.

Converts to Tools and Dies

Last February the proprietor of this garage decided that the fortunes of war were running against him. He looked around for something essential in wartime. His choice was the manufacture of tools, dies, fixtures and some production work on a sub-contracting basis. He had no special knowledge of what it required to run a machine shop but he did have some capital, an idea and willingness to try something new.

He started to collect the machine shop he needed, getting this under way while it was still possible to obtain machine tools of the kind he wanted, some used and some new. He organized a separate company to take over the new war work, continuing with his regular garage work under the old name and in a portion of his shop.

Now he has 26 men, two more than he used to have in his garage, working 20 hours a day turning out much-needed tools for war. He obtained sub-contracts for equipment from local prime contractors, depending on his own resources to obtain the business. He tells The Financial Post he now has no trouble getting all the work he can handle although most prime contractors were sceptical at first.

He has a new business that seems to be prospering; an enterprise that will hold its own and keep him going until the war ends and he can get back into his regular business again. This man, however, admits that he finds his new line fascinating and suggests that he would like to find some way to keep it as a permanent portion of his business.

Canadian Automotive Trade recently reviewed a few case histories of subcontracting by garages, pointed to the case of one of Montreal's best-equipped brake service organizations that has gone into the manufacture of road graders for the R.C.A.F. and tank trailers. The former product was wanted in large numbers by the R.C.A.F. in building and servicing the many airfields constructed for the Commonwealth Air Training Plan. The latter is a kind of first aid shop on wheels on which tanks can be hauled back to bases for repairs when disabled. This organization reports that these operations have doubled their normal staff.

A Windsor dealer has secured contracts for painting war materials ranging from shovels to brake cylinders and steel benches. It utilizes a large spray-painting booth formerly used in re-finishing used cars. Sewing machines and equipment used to repair automobile upholstery are now sewing cases for holding instruments carried in army trucks. Parts for 25-pounder guns and for gun carriers are being turned out in its machine shop.

AA Gun Sights

In Toronto, a large automobile dealer is now turning out small brass gun sights for anti-aircraft guns. He has been able to reduce the machine time required from five days to less than five hours. This man was able to arrange a co-operative enterprise with owners of certain other machines in his immediate neighborhood to supply equipment he was unable to get at first. He now has a portion of his staff taking training courses in technical schools. When he installed his first machine only the shop foreman was able to operate it skilfully.

In Owen Sound, Ont., a garage operator turned to relatively heavy machine work, turning out parts going into anti-aircraft guns, airplane detecting devices, special lathe fixtures for shell manufacture, steam engine parts, pumps, gears and many other items.

Three Pitfalls

This man reports that garage mechanics, after a period of training, make excellent machinists. He found the industry and subcontract co-ordination branch of the department of Munitions and Supply most helpful.

From his experience he warns of three pitfalls which the garage operator seeking to get into subcontracting for war work may find:

First is the used machinery salesman who promises to furnish contracts if you buy his machine; next is the used machinery available in some cases, machinery which has been nicely painted on the outside but is worn out inside, necessitating weeks of rebuilding "at a cost which makes used car re-building small fry"; finally there is the prime contractor who does not pay a reasonable return for work done, work that a beginner will sometimes take to get started when there is plenty of profitable work available.

Even Dress Shops

These are a few examples of steps enterprising garage operators have taken to offset the difficulties war has brought to them. The list could be multiplied endlessly. There is, for example, another kind of work that some have adopted but which practically means retiring from their regular business. One man now has a chain grocery store in his showroom. Another has opened a dress shop, apparently because he had room and light to spare. Others have opened skating rinks, and still others have taken to handling household equipment such as refrigerators, radios, vacuum cleaners.

The examples cited here almost all involve substantial amounts of capital and enterprise. This is not always available, particularly in the case of small units employing two or three men.

20 to 25% Casualties

Many of these have given up, one estimate given The Post suggests perhaps 20 to 25% of the garages in operation before the war have now closed.

Those that are left are busy. Repair work is stressed and has proved profitable. Volume is said to be down but not in proportion to the reduction in gasoline used by private motorists. This trend may accelerate as cars grow older.

Capable mechanics are getting scarce with the supply released when large numbers of garages closed pretty well gone.

Garage men have changed their ideas of repairing cars. It used to be common practice to replace any part which showed wear, and sometimes, it is claimed, some that were in good condition. Repair parts were plentiful and their sale was profitable. Now anything that can be used again is salvaged because repair parts are scarce and getting scarcer. Manufacture is cut down to 70% of last year's quota and materials are hard to get to turn out even this reduced volume.

Used Cars Wanted

The average dealer is said to be not too much worried by the loss of his new car sales. Those that he still has to sell he can sell in selected cases, picking his prospects. He is more careful about trade-ins, accepting used cars only on a basis that will be profitable to him. Many large garages are now advertising for used cars to replace those they have sold and are not finding them easy to get. Car owners are proving reluctant to part with their automobiles, preferring to hang on even if their gasoline ration is nearing the vanishing point.

On the whole, garage operators who are still depending on repairs and service for their living would probably be well satisfied if they could be sure next year would be as favorable to them as this year has proved.

New Wartime Regulations

Post Summary of Latest Rulings from Ottawa

REGISTRATION, REREGISTRATION AND MARKERS. M. & S. Order Transit 3A, Aug. 15. A fee of $1 may be charged for the registration or reregistration or for the replacement of a marker. Transit Cont. G. S. Gray.

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PLATES, SHEETS AND/OR FORGINGS. M. & S. order S.C. 20, Aug. 31. Any person purchasing plates, sheets or forgings must file a copy of the purchase order showing the number of any Dept. of M. & S. or other contracts for such plates, etc., the uses to which they are to be put, and the allocation classification and purchaser symbols required by Order P.O. 1 for such uses. Steel Cont., F. B. Kilbourn.

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COPPER WIRE BARS. M. & S. order M.C. 13A, Sept. 1. Except in certain cases no person shall purchase in any quarterly period more than 20% of the amount in weight of wire purchased or 20% of the amount in weight shipped in the form of copper wire rods (whichever weight shall be the greater) during the first six months of 1941. Metals Cont., G. C. Bateman.

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PARTS FOR MOTOR VEHICLES. M. & S. order M. V. C. 21A, Sept. 5, restricts the production of replacement parts for motor vehicles. Motor Vehicle Cont. J. H. Berry.

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USED COLLAPSIBLE METAL TUBES. W.P.T.B. order A-370, Sept. 8, revokes order A-199 and makes provision for the salvaging of used metal collapsible tubes. Adm. of Used Goods, S. Godfrey.

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NON-FERROUS METAL INGOTS. M. & S. order M. C. 24, Sept. 8. No metal ingots may be bought or sold without a permit in writing, effective Sept. 8. Metals Cont. G. C. Bateman.

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HARD FIBRE. M. & S. order C. S. 34-C-2, Sept. 8, rescinds section 12 of order C. S. 34-C, dated March 25. No person shall, without a permit in writing, make more tying twine containing sisal fibre than 60% of the monthly average amount of tying twine made by him in the calendar year 1941 and in October not more than 50%. Deputy Con. of Supplies, G. P. Kaye.

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USED COLLAPSIBLE METAL TUBES. W.P.T.B. order 175, Sept. 8. Except under certain conditions no person shall destroy or throw away any used collapsible tube and no retailer shall sell any preparation contained in such tubes unless a used one is received. Chairman, W.P.T.B., Donald Gordon.

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CRUSHED STONE. W.P.T.B. order A-387, Sept. 9, amends order A-147, respecting maximum prices of crushed stone sold by certain producers.

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COPPER, ZINC, TIN, AND OTHER CRITICAL MATERIALS. Priorities release, No. 5, Sept. 10. W.P.B., Washington, D.C., has issued a schedule, which becomes a part of Limitation Order L-126, of manufacturing specifications of coil or tube assemblies for refrigeration condensers or coolers, as a means of saving copper, zinc, tin, etc.

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WORK SHIRTS. W.P.T.B. order A-399, Sept. 10, regulates the manufacturing, production and selling prices of men's and boys' fall weight work shirts. Adm. of Work Clothing, A. Bradshaw.

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CONVERTED PAPER PRODUCTS. W.P.T.B. order A-389, Sept. 11, amends order A-64, of April 16, and amendment order A-237, June 12. Adm. of Converted Paper Products, N. E. Wainwright.

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BEEF. W.P.T.B. order 188, Sept. 11, amends schedule "A" of order 149 dated June 24. Chairman, W.P.T.B., Donald Gordon.

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BEEF. W.P.T.B. order A-393, Sept. 11, gives the maximum price to be charged for any cut of beef in certain specified zones. Adm. of Foods, J. G. Taggart.

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GREY CAST IRON AND MALLEABLE IRON PIPE FITTINGS. W.P.T.B. order A-390, Sept. 11, regulates the type, size and manufacturing of pipe fittings except pipe fittings for electrical or conduit work, hydraulic or high pressure use, or accessory fittings for radiators and valves. Adm. of Heating, E. J. Laidlaw.

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TYPEWRITERS. W.P.T.B. order A-394, Sept. 11, sets the maximum price at which any person may sell, buy or rent used, rebuilt or reconditioned typewriters, also the maximum price which anyone may charge for servicing used typewriters. Adm. of Used Goods, S. Godfrey.

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USED INDUSTRIAL SEWING MACHINES. W.P.T.B. order A-391, Sept. 11, regulates the sale and price of used industrial sewing machines. Adm. of Used Goods, S. Godfrey.

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USED DOMESTIC SEWING MACHINES. W.P.T.B. order A-392, Sept. 11, regulates the sale and price of used domestic sewing machines. Adm. of Used Goods, S. Godfrey.

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PAPER MANUFACTURE. W.P.T.B. order A-397, Sept. 12, regulates the finishing and processing in the manufacture of paper to conserve power and labor. Adm. of Book and Writing Papers, A. P. Jewett.

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DEFAULT OF RENT. W.P.T.B. order 173, Sept. 12, clarifies rights of landlord to give notice to vacate to tenants defaulting rent. Chairman, W.P.T.B., Donald Gordon.

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MAXIMUM RENTALS AND TERMINATION OF LEASES. W.P.T.B. order 183, Sept. 12, gives the Rentals Administrator power to fix maximum rents, decide the grounds on which and the manner in which leases may be terminated and other related matters. Chairman, W.P.T.B., Donald Gordon.

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FUELWOOD. W.P.T.B. order 36, Sept. 12, sets the maximum price for sawdust and millwood in Vancouver area. Adm. of coal, J. McG. Stewart.

• • •

CANNED FRUITS AND VEGETABLES. W.P.T.B. order 186, Sept. 14, gives the maximum prices which may be charged for canned fruits and vegetables of the 1942 pack. Chairman, W.P.T.B., Donald Gordon.

• • •

FUELWOOD. W.P.T.B. order 40, Sept. 14, gives the maximum price for sawdust and millwood in the Victoria area. Adm. of Coal, J. McG. Stewart.

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THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by listed dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING SEPTEMBER 21

A

Range 1942 High	Low	Div R'te $	Sep19 Y'ld %	Company	Sales	Last Sept. 14	Week end. Sept. 21 H	L	Cl'se
.75	.40			Abitibi	400	.50	.50	.45	.45
7	4			Do. pref. 6%	100	4	4½	4¼	4¼
25	13			Do. pref. 7%		(13½ bid 14 asked)			
3	3			Acme Glove		(3 bid — asked)			
60	48½	6.50	13.4	Do. pref.		(— bid 49 asked)			
13	11	80+20c	9	Agnew Surp.		(10½ bid 12 asked)			
110	106½	7	6.6	Do. pref.		(108 bid — asked)			
.90	.75			Alta. Pac. Gr.		(— bid .85 asked)			
28½	21½			Do. pref.	40	26½	27	26½	26½
9½	8			Algoma Steel	630	8½	8½	8½	8½
84	82	5	6.1	Do. pref.	25	84	82	82	82
109	84½	8+2	11.8	Aluminium	236	85½	85½	84½	84½
118	111½	6	5.4	Do. pref.		(110½ bid — asked)			
7¼	6	50c		Amal. Electric		(6 bid — asked)			
†37	37	60c	1.6	Amer. Cyn. B.		(33 bid — asked)			
43	40	2.75	6.5	Ang. Can. Tel. p		(42 bid — asked)			
19	16	80+40c	6½	Asbestos	297	18	18½	18	18½
18½	13½	1.75	12.7	Assoc. Brew.	15	14½	13¾	13½	13½
112	109½	7	6.2	Do. pref.		(110 bid — asked)			
†1	1			Assoc. T. & T.A.		(— bid — asked)			
†24	24	96c		Do. pref.		(— bid — asked)			
102½	102	5.50	5.4	Ault & Wiborg		(102 bid — asked)			

B

Range 1942 High	Low	Div R'te $	Sep19 Y'ld %	Company	Sales	Last Sept. 14	Week end. Sept. 21 H	L	Cl'se
150	118	6	5	Bk. Can. Nat.	48	120	119	118	118½
189	124½	6	4.6	Bk. Montreal	129	125	129	124½	125
275	221	10	4.5	Bk. N. Scotia	8	224	221	221	221
255	212	10	4.7	Bk. Toronto	40	212½	212½	212	212
8½	8½	47½c		Barber Ellis		(6 bid — asked)			
•5	4½			Barcelona		(— bid — asked)			
1.25	.50			Barker's Bread		(.50 bid 1.00 asked)			
18	12			Do. pref.	10	14½	16	16	16
14½	10½	1+25c	11	Bathurst Pr.	515	11	11½	11	11
2.25	1.00			Do. (B)	250	1.50	1.50	1.50	1.50
6	3½	80c		Beath & Sons		(5 bid 7 asked)			
8	6½			Beatty Bros.	50	7½	8	8	8
110	102	6	5.4	Do. pref.		(109 bid — asked)			
100	76	7	7	Do. 2nd pref.		(101 bid 110 asked)			
9½	9½			Beauharnois	130	9½	9½	9½	9½
81	81	4+2	7.4	Belding Cort.		(80 bid — asked)			
124	115	7	6	Do. pref.		(115 bid — asked)			
150½	123	8	6.2	Bell Telephone	313	127½	130½	127	130½
7	6	30+10c	6½	Bertram & Sons		(6½ bid — asked)			
7⅛	6	60c	10	Biltmore Hats		(— bid 6½ asked)			
3	2½			Blue Ribbon	125	2½	3	2½	3
32½	24	2.50	10.4	Do. pref.	4	25	24	24	24
10½	10½	60c	5.6	Blue Top Br. A.		(10 bid — asked)			
10½	8			Do. "B"		(9 bid 10 asked)			
3½	3			Brand. Hender.	53	3	3½	3½	3½
21	20½			Brant. Cord. pf.		(21½ bid — asked)			
11½	6	40c		Brazilian Tr.	3246	10	10½	10	10½
5½	3½	50+10c		Brew. & Distil.		(4½ bid — asked)			
†6½	6½			Bright, T. G.		(6½ bid — asked)			
†90	90	6	6.7	Do. pref.		(90 bid — asked)			
18	13	1	6.5	Brit. Amer. Oil	2009	15	15½	15	15½
16	12	1.50		B. C. Packers		(14 bid 15 asked)			
22	17	2	10	B. C. Power A.	32	21	20	20	20
1.25	.75			Do. (B)	150	1.00	1.00	1.00	1.00
6	4½	30c		Bruck S. Mills		(4½ bid 4¾ asked)			
14	11½	70+10c	7	Building Prod.	60	11½	11½	11½	11½
8½	7½	60c	7.8	Burlington St'l		(7¾ bid 8 asked)			

C

Range 1942 High	Low	Div R'te $	Sep19 Y'ld %	Company	Sales	Last Sept. 14	Week end. Sept. 21 H	L	Cl'se
..	..			Caldwell Linen.		(4 bid — asked)			
23½	22½	1.50	6.7	Do. 1st pref.		(22½ bid 23½ asked)			
9½	9	80c	8.9	Do. 2nd pref.		(9 bid 10½ asked)			
†70	70			Calgary Power		(— bid — asked)			
102	97	6	6.2	Do. pref.		(98½ bid 102 asked)			
2½	1½			Canada Bread		(2½ bid 2⅝ asked)			
103	98½	6	6	Do. pref.		(100 bid — asked)			
46	30	2.50	7.2	Do. pref. B.		(34 bid 40 asked)			
6	5	40c	6.9	Canada Bud	100	6	5½	5½	5½
5	3½			Canada Cement	887	4½	4½	4	4
102	90	6.50	7.1	Do. pref.	32	91½	92	90	92
†5⅛	5⅛	40c		Can. Cr. Stone		(3½ bid — asked)			
106	102	5	4.8	Canada Cycle, p		(103½ bid — asked)			
20½	13	95c		C. & D. Sugar.	640	14	14	13½	14
19	15	1.50	9.7	Can. Forg. (A)	160	16	16½	15½	15½
20	18½	1.50	7.6	Do. (B)		(17 bid — asked)			
60	50	6		Can. Iron		(50 bid — asked)			
90	80	6	7	Do. pref.		(— bid — asked)			
38	32½	2+50c	7½	Can. Malting	330	34½	33½	33	33½
5½	4	60c	13.3	Can. Nor. Pr.	55	5	4½	4½	4½
88	78½	7	8.3	Do. pref.	10	85	83½	83½	83½
87	74½	4	5.2	Can. Packers	25	77	77	77	77
126	110½	8	7.2	Can. Perman.	5	112½	110½	110½	110½
9	8½	50c		Can. Starch		(8 bid — asked)			
113	111	7	6.2	Do. pref.		(108 bid — asked)			
7½	5			Can. Steamsh's	632	6½	7	6½	7
29½	25½	2.50	9.2	Do. pref.	373	26½	27	26½	26½
7½	4½	40+10c	10	Can. Vinegars.		(4½ bid 5⅛ asked)			
57	49	4	8	Can. W. Cable.	15	49	50	49	49
24½	14	2	14.2	Do. (B)		(14 bid 17½ asked)			
108	104½	6.50	6.2	Do. pref.		(104½ bid — asked)			
1.75	.80			Can. Bakeries.	200	1.25	1.50	1.50	1.50
60	48½	♦7.50		Do. pref.	252	60	60	60	60
154	115	6	5	Can. Bk. Com.	116	116	120	116	119
1.45	1.00			Can. Breweries	150	1.00	1.05	1.00	1.05
31	27	3.40	12.6	Do. pref.	5	28	27½	27½	27½
32	27½	1.50+50	7	Can. Bronze		(— bid 29½ asked)			
105½	105	5	4.8	Do. pref.		(105 bid — asked)			
6	4½	50c	10	Can. Canners.	260	5½	5	5	5
22	16	1+20c▪	6.6	Do. 1st pfd.	45	18	18½	18½	18½
9½	8	60+20c▪	9½	Do. 2nd pfd.	125	8½	8½	8½	8½
7	4½			Can. Car & F'y	275	5½	6	5½	6
26	21½	1.75	7	Do. pref.	165	25	25	25	25
27½	21½	1+1	8	Can. Celanese	85	24	25	24	25
125½	118½	7+1.15▪	6½	Do. pref.	25	122	122	122	122
23	21½	1	4.6	Do. Rights		(21½ bid 22¾ asked)			
17½	15	2	13.3	Can. Convert.		(15 bid 17 asked)			
102½	98	4+2	6	Can. Cottons		(— bid 100 asked)			
117	113	6	5.2	Do. pref.		(114½ bid — asked)			
14½	9½			Can. Dredge	75	11½	11½	11½	11½
100	98	6	6	Can. Fairb. pf.		(98 bid — asked)			
20	15	70c		Can. For. Inv.		(— bid 20 asked)			
105	105	8	7.6	Do. pref.		(105 bid — asked)			
215	208½	8	3.7	Can. Gen. Elec.		(151 bid — asked)			
7½	6½	50c	7.4	Can. G. Inv.		(6⅞ bid 7¼ asked)			
3½	3	10c		Can. Ind. Alc.	485	3½	3½	3½	3½
3½	2	10c		Do. (B)	150	3½	3½	3½	3½
167	136	6	4.4	Can. Indust. B.		(— bid 132 asked)			
175	152	7	4.4	Do. pref.	7	159	157	157	157
.30	.06			Can. Int. I. Tr.		(.10 bid .15 asked)			
40	39	2	5.1	Do. pref.		(38½ bid — asked)			
13½	12	1	8	Can. Lt. & Pr.	5	13	12½	12½	12½
9½	7			Can. Locomo.	40	7	7	7	7
.60	.45	4c		Can. Marconi		(.50 bid .80 asked)			
15	10	50+70c	10	Can. Oil		(12 bid 14½ asked)			
123	105	8	7.6	Do. pref.		(100 bid 115 asked)			
6¼	5			Can. Pacific	3940	5¼	5⅜	5¼	5⅜
.35	.10			C. Pr. & Pa. In.		(.15 bid .20 asked)			
1.50	.40			Do. pref.		(1.25 bid 2.00 asked)			
				C. Tube & Stl.		(4 bid 6½ asked)			
..	..	♦5.25		Do. pref.		(101 bid 103 asked)			
5	5			Do. 2nd pref.		(5 bid — asked)			
3½	2			Can. Vickers	25	3	3	3	3
27½	20			Do. pref.	300	23	22½	21½	22½
9½	9	1		C. Wallpaper A.		(9 bid — asked)			
10	8	1		Do. (B)		(9 bid 13 asked)			
42½	37	2	5.4	Can. West'ho'se		(34½ bid — asked)			
20	17½	1.50+50c▲	8	C. Wire Box		(18½ bid 20 asked)			
1.20	.80			Capital Estates	500	1.00	1.00	1.00	1.00
121	114	5	4.3	Carnation, pfd.		(111½ bid — asked)			
6¼	5			Catelli Food	35	5	5½	5½	5½
10	8	75c		Do. pref.		(9 bid 10 asked)			
†2.00	1.50			Celtic Knit		(1.50 bid — asked)			
†155	145	8	5.5	Cent. Can. L'n.		(— bid 135 asked)			
95	80	4	4.2	Chart. Trust		(— bid 89 asked)			
3½	2			Ch. Gai Wines.		(2 bid 2¼ asked)			
.12½	.05			Chem. Research		(.05½ bid .12 asked)			
.25	.20			City Gas & El.		(.15 bid .20 asked)			
.05	.05			Claude Neon		(.01 bid .05 asked)			
1.42	1.00	12c		Coast Brew	200	1.10	1.12	1.12	1.12
6½	5			Cockshutt Plow	35	6½	6½	6½	6½
2.37	1.90	10c		Comm. Alcohol	987	1.90	1.95	1.90	1.90
6½	5½	40c	6.7	Do. pref.		(6 bid — asked)			
3½	3½	40c		Conduits Nat.		(3½ bid 4½ asked)			
10½	8½	60c	6.4	Cons. Bakeries.	150	9½	9½	9½	9½
.02	.01			Cons. Div. Sec.	40	.01	.01	.01	.01
7¼	4½	75c		Do. pref.	30	4½	5½	5½	5½
3.37	1.50			Cons. Paper	3012	1.80	1.95	1.70	1.90
4	2			Cons. Press		(2 bid 4 asked)			
81½	75	3.50		Cons. Sand, pf.		(75 bid 81½ asked)			
39	32	1+1.50	7.3	Cons. Smelt.	246	34	34	33½	34
132	109	8	7.2	Consumers' Gas	71	112	113	111	111
69	50	7	12.2	Corr. P. Box, p.		(50 bid 65 asked)			
23	18	1.20+15c	6½	Cosmos Imp.		(20 bid 22½ asked)			
24½	20	2	10	Crown Cork		(18 bid — asked)			
1.50	1.25			Crown Dom Oil		(1.25 bid — asked)			
34½	27½	3	10.3	Crow's N. Coal		(29 bid 29½ asked)			
.70	.35			Cub Aircraft	300	.35	.40	.40	.40

D, E

Range 1942 High	Low	Div R'te $	Sep19 Y'ld %	Company	Sales	Last Sept. 14	Week end. Sept. 21 H	L	Cl'se
10½	8½	1+15c		David & Fre. A.		(— bid 9½ asked)			
1.50	1.50			Do. (B)		(.50 bid 1.00 asked)			
7	7			de Havilland		(— bid 7 asked)			
80	75	7+5.25▲		Do. pref.		(75 bid — asked)			
1.15	1.00			Disher Steel		(— bid .75 asked)			
10	6	1.50		Do. pref.		(5 bid 8 asked)			
26½	21	2.22	9.6	Distill-Seagram	1390	23	23	22½	23
97½	90	5	5.3	Do. pref.	50	95	95½	95	95½
†30	30	4		Dom. Ang. Inv.		(22 bid — asked)			
†75	70	5		Do. pref.		(75 bid 84 asked)			
191	140	8	5.7	Dom. Bank		(137 bid 138 asked)			
24	20	1.20	5.8	Dom. Bridge	231	20½	20⅝	20½	20½
15½	10			Dom. Coal, pf.	20	10	10	10	10
25	18			Dom. Engineer.		(18 bid 23 asked)			
19	16½	1+25c	7	Dom. Foundries	315	18½	18½	18½	18½
106½	103½	6	5.7	Do. pref.		(105 bid 110 asked)			
117	110	5	4.3	Dom. Glass		(114½ bid 117 asked)			
152½	150	7	4.6	Do. pref.		(150 bid — asked)			
25	20½	1.20+40c	7½	Dom Oilcloth	125	20½	20½	20½	20½
.60	.50			Dom. Scot. Inv.		(— bid .75 asked)			
24½	20	2		Do. pref.		(22 bid 27 asked)			
1½	1½			Dom. Square		(1½ bid — asked)			
9½	5½			Dom. St. & C.B.	189	7½	7½	7½	7½
5½	3½	20c		Dom. Stores	810	5½	5½	5½	5½
4½	3			Dom. Tar & Ch.	1200	3½	3½	3½	3½
88	83	5.50	6.2	Do. pref.		(85 bid — asked)			
82½	66	5	7.2	Dom. Textile	60	70	70	69½	70
154	150	7	4.7	Do. pref.		(149 bid — asked)			
1.30	.60			Dom. Woollens	67	1.25	1.30	1.20	1.20
8	6½	60c	8	Do. pref.	140	7½	7½	7½	7½
4	2	‡10c		Donnacona P.	115	2	2½	2½	2½
6	3½			Dryden Paper	85	3½	4	3½	4
†1.50	.50			East Koot. Pr.		(— bid — asked)			
8	6			Do. pref.		(6 bid 9 asked)			
.50	.25			East Dairies		(.50 bid .75 asked)			
10	6½			Do. pref.	131	7	7¾	6½	7½
13	10	1	8.3	East Steel		(11½ bid 12⅞ asked)			
6½	6½			East Theat.		(6 bid — asked)			
3	2½			Easy Washing		(2½ bid 5 asked)			
25	25	2		Economic Inv.		(— bid 23 asked)			
5	2½			Electrolux		(— bid 4½ asked)			
3½	2½			Enam. & Heat.	115	2½	2½	2½	2½
29½	19	2.50	12.5	English Electric		(— bid 22 asked)			
3	1½			Do. (B)		(2½ bid 3½ asked)			
5½	4½	15c		Equitable Life.		(4½ bid 6 asked)			

F, G

Range 1942 High	Low	Div R'te $	Sep19 Y'ld %	Company	Sales	Last Sept. 14	Week end. Sept. 21 H	L	Cl'se
2¼	1¼			Fairchild Air.	250	2¼	2¼	2¼	2¼
19½	15	1	6.7	Fam. Players		(— bid 16 asked)			
22½	15	1.50+25c	10	Fanny Farm.	220	17	17½	17	17½
3½	2½			Fleet Aircraft	110	2½	2½	2½	2½
.20	.20			Fleury Bissell		(.20 bid .50 asked)			
10	10			Do. pref.		(10 bid 14 asked)			
18½	14½	1	5.4	Ford Motor A.	1218	18½	18½	18½	18½
18½	14½	1	5.6	Do. (B)		(— bid — asked)			
.15	.15			For. Pr. Secs.		(— bid .25 asked)			
16½	12	♦1.20+50c		Foundation Co.	300	14	15	14½	14½
18	7			Fraser Cos.		(8½ bid — asked)			
13½	7½			Do. Vot. Tr.	371	8½	9	8	9
.50	.50			Freiman		(.50 bid — asked)			
65	55	1.50		Do. pref.		(55 bid — asked)			
6½	4½	60c	10	Gatineau Pwr.	425	6½	6½	6	6
77½	61½	5	6.9	Do. pref.		(71½ bid 75 asked)			
80	70	5.50	6.9	Do. 5½% pref.		(75 bid 80 asked)			
.15	.15			Do. Rights		(— bid .20 asked)			
6⅛	5	30c		Gen. St. Wares	335	5½	5½	5½	5½
92	84	7+53c▪	8½	Do. pref.	8	85	85	84½	84½
60	31½	2.50+2.50		Goodyear Tire.		(49 bid 53 asked)			
50	39	2.50	5.1	Do. pref.	76	49½	50	49½	49½
†67	67	♦4		Gould Pumps.		(— bid — asked)			
†4.00	2.50			Gt. Lakes Pap.		(.50 bid 1.00 asked)			
†16	16	♦75c		Do. pref.		(5 bid 20 asked)			
2.50	1.00			Do. Vot. tr. c.	170	1.50	1.75	1.60	1.75
16½	11	♦75c		Do. Vot. tr. p	45	12	12	12	12
4½	3½			Gt. W. Saddlery		(— bid 4 asked)			
28	24	3		Do. pref.		(27½ bid — asked)			
11½	10	60c	5.8	Greening Wire.	90	10	10½	10½	10½
†1.25	1.25	10c		Growers' Wine		(— bid — asked)			
4	2			Gurd, Chas.		(3½ bid 4 asked)			
70	70			Do. pref.		(— bid — asked)			
3½	2½			Gypsum, Lime.	615	2½	2½	2½	2½

H, I

Range 1942 High	Low	Div R'te $	Sep19 Y'ld %	Company	Sales	Last Sept. 14	Week end. Sept. 21 H	L	Cl'se
14½	14½	1		Halifax Fire		(14½ bid 15 asked)			
3½	2			Ham. Bridge	460	2½	3	2½	3
36	28	2	6.2	Ham. Cot., pf.		(30½ bid — asked)			
1.50	.65			Ham. U. Theat.		(.65 bid 1.40 asked)			
76½	73	5	6.5	Do. pref.		(70 bid 90 asked)			
3½	2½	20+10c		Harding Carpet		(3 bid 3½ asked)			
..	..			Hillcrest Coll.		(.20 bid 2.00 asked)			
14	9½	♦75c		Hinde & Dauch	45	13	12½	12½	12½
5	5			Holt Renfrew		(— bid — asked)			
65	40			Do. pref.		(— bid 61 asked)			
19	16	2	11.4	Honey Dew	125	17½	18	18	18
14	8			H. Smith Pap.	200	8½	8½	8	8½
100	96	6	6.2	Do. pref.	10	96	97	96	96
9½	3	50c		Humberstone S.	175	8	8	8	8
8½	6			Hunts (A)	25	6	6	6	6
8½	7			Do. (B)		(— bid 8 asked)			
55	46	4	8.3	Huron & E. Mt.		(48 bid 50 asked)			
8	7	80c		Do. 20% pd.		(— bid, 8 asked)			
1.00	.50			Hydro Electric.	150	.75	.50	.50	.50
204	150	8	5.3	Imperial Bank.	1	151	151	151	151
†275	275	15		Imperial Life.		(— bid — asked)			
10	7½	50c	5.3	Imperial Oil	3334	9½	9⅝	9½	9⅝
12½	9½	40+17½c	5½	Imperial Tob.	540	9⅞	10	9½	9¾
7½	6½	6%	4.5	Do. pref.		(6½ bid 6⅞ asked)			
8½	7½	50+10c	8	Imp. Varnish		(— bid 8 asked)			
28½	27½	1.50	5.3	Do. pref.		(26½ bid 28 asked)			
9½	6½			Indust. Accept.		(7½ bid 9 asked)			
26	22	3		Inter-City Bak.		(27½ bid 30 asked)			
35	35	♦5		Inter'c Coal		(— bid — asked)			
‡120	120	8		Do. pref.		(— bid — asked)			
12½	10	1.50	14.2	Inter. Bronze		(10½ bid — asked)			
22½	20	1.50	6.6	Do. pref.	145	22	22½	22½	22½
.25	.25	3c		Int. Coal & C.		(.25 bid .35 asked)			
7⅛	5			Int. Metal Ind.		(5½ bid 6½ asked)			
99	85	6	6.6	Do. pref.		(— bid 90 asked)			
92	85	6	7	Do. pref. A.		(— bid 89 asked)			
115	111	5	4.4	Int. Mill., pf.		(112½ bid 114 asked)			
36½	29	2	6.6	Int. Nickel	2682	30	30½	30	30½
157½	143	7	4.7	Do. pref.		(— bid — asked)			
1.50	1.05			Int. Paints		(1.90 bid 2.25 asked)			
15	13	1+25c▲	7½	Do. pref.		(12½ bid 15 asked)			
16	10½			Int. Pap. & P.		(— bid — asked)			
65	52½	5	9.5	Do. pref.		(— bid — asked)			
14	11	1	7.3	Int. Pete.	1840	13½	13½	13½	13½
2½	2			Int. Power	5	2	2½	2½	2½
90	85	7	8.2	Do. pref.	85	90	87½	86	87½
•11½	10½			Int. St. Rlty. A.		(— bid 10 asked)			
•4	3½			Do. (B)		(— bid 4 asked)			
3½	2			Int. Util. (A)	50	3	2½	2½	2½
.15	.03			Do. (B)	550	.05	.05	.05	.05

J, K, L

Range 1942 High	Low	Div R'te $	Sep19 Y'ld %	Company	Sales	Last Sept. 14	Week end. Sept. 21 H	L	Cl'se
†13	13	68c		Jam. Pub. Ser.		(— bid 12½ asked)			
115	100	7	7	Do. pref.	5	100	100	100	100
8½	7			Kelvinator		(6½ bid 7 asked)			
10	4			L. St. John Pr.	2	6	4	4	4
17½	14½	1.20	7.4	Lake of Woods.	10	16	16½	16½	16½
118	113	7	6.1	Do. pref.		(115 bid — asked)			
54	47	4	7.4	Landed Bank	5	47½	54	54	54
12	8	70+30c	10½	Lang, J. A.		(8½ bid 15½ asked)			
•3.50	2.50			Langley's		(— bid — asked)			
23	19½	2		Do. pref.		(19 bid 24½ asked)			
10⅛	6½	80c	9.9	Laura Secord.	570	8½	8½	8	8½
9½	8			Legare, pref.		(8 bid — asked)			
3	2½	10c		Levy Bros.		(2¾ bid 3 asked)			
6½	5			Lindsay, C. W.		(6½ bid — asked)			
54	50	2		Do. pref.		(50 bid — asked)			
25½	19½	1+25c	6.3	Loblaw (A)	486	19½	20	19½	19½
23½	17½	1+25c	7.2	Do. (B)	158	18½	18½	17½	17½

M

Range 1942 High	Low	Div R'te $	Sep19 Y'ld %	Company	Sales	Last Sept. 14	Week end. Sept. 21 H	L	Cl'se
1.00	1.00			Mackenzie Air		(— bid — asked)			
2	1½			Mackin. Steel		(— bid 3½ asked)			
65	60	5	8.3	Do. pref.		(55 bid 75 asked)			
16	11½	75c		Maclaren Pr.	100	11½	12½	12½	12½
7	5			M. L. Gardens	16	5	5	5	5
6	4½	‡40c		Do. pref.	40	4½	4½	4½	4½
3.00	1.00			Maple Leaf M.		(1.80 bid 2.00 asked)			
5½	3			Do. pref.	111	5½	5½	4½	5½
15½	15	30+2½c	5	Maritime Tele.		(15 bid — asked)			
17	16½	70c	4.2	Do. pref.		(16 bid — asked)			
†18	14½			Marcus Loew's		(20 bid — asked)			
95	95	7	7.4	Do. pref.		(96½ bid — asked)			
4	2½			Massey-Harris	3295	3½	4	3⅞	4
13	10½	1.25		Do. pref.	2675	12½	13	12½	13
4½	2½			McColl Fron.	185	3½	4½	3½	4½
95	72½	6	7	Do. pref.	60	86	85½	85	85½
1	1			Melchers		(1 bid 1½ asked)			
6½	5½	60c	10.9	Do. pref.		(5 bid 5½ asked)			
3½	2			Mercury Mills	15	2½	2½	2½	2½
44	44	2.50	5.7	Mitchell, J. S.		(— bid 46 asked)			
15	11½	1		Mitchell, Robt.	215	13	12½	11½	11½
14	12½	1.20	9½	Mod. Contain.		(13½ bid 16 asked)			
90	90	5.50	6.1	Do. pref.		(88½ bid 100 asked)			
†2	1½			Monarch Knit.		(3 bid — asked)			
65	48	7		Do. pref.		(55 bid 70 asked)			
67	65	4	6.2	Montreal Cot.		(63 bid — asked)			
117	111½	7	6.1	Do. pref.	80	117	115½	115½	115½
1.00	.25			Mont. Is. Pr.		(.25 bid — asked)			
24	19½	1.50	7	Mont. L. & Pr.	1279	21½	21⅞	21	21⅞
50½	49			Do. Notes	15	49½	49½	49½	49½
14	13	1.25		Montreal Loan		(13 bid 13½ asked)			
.80	.70			Mtl. Refrig & S		(.75 bid — asked)			
16	11½	1.25		Do. pref.		(15½ bid — asked)			
24½	20	•1.34		Montreal Tele.	47	23½	24½	24½	24½
20	12			Montreal Trams		(18 bid 20 asked)			
45	39	2.22+66½	7	Moore Corp.	203	39½	39½	39	39½
178	156	7	4.3	Do. pref. (A)		(160½ bid 173 asked)			
265	235	7	2.9	Do. pref. (B)		(240 bid — asked)			
.10	.10			Muirheads		(.10 bid .25 asked)			
1	1			Do. pref.		(2 bid 4 asked)			

N, O

Range 1942 High	Low	Div R'te $	Sep19 Y'ld %	Company	Sales	Last Sept. 14	Week end. Sept. 21 H	L	Cl'se
26	23½	2	8	Nat. Breweries.	380	24½	25	24½	24½
40	36	1.75	4.8	Do. pref.	60	38	36½	36½	36½
7	4	40c		Nat. Grocers	100	5½	5½	5½	5½
26	24½	1.50	5.9	Do. pref.		(25½ bid 26 asked)			
9	8			N. Sew. Pipe A		(8½ bid 9½ asked)			
34½	27	2	6.8	Nat. Steel Car.	25	29	29½	29½	29½
138	120	8	6.7	National Tr.		(120 bid 132 asked)			
‡9½	9½	‡60c		Neon Prod.		(— bid — asked)			
18	10	1.75		Niag. W. Weav.	25	10	10½	10½	10½
3½	2			Noorduyn Av.		(1 bid 2 asked)			
.55	.25			North Star Oil.		(.50 bid .90 asked)			
3½	2¾	35c	12.7	Do. pref.		(2¾ bid 3½ asked)			
87½	86	6	6.8	N. S. L. & Pr.		(— bid 86½ asked)			
108½	105½	6	5.6	Do. pref.		(107 bid — asked)			
22	17½	1	5.6	Ogilvie Flour.	90	18	18	18	18
155	151	7	4.6	Do. pref.	13	151	151	151	151
110	105	5	4.8	Ontario Loan		(103½ bid 109 asked)			
†3	3			Ont. Silknit		(— bid 2 asked)			
35	30	‡2		Do. pref.		(32 bid 38 asked)			
11	9	1		Do. Scripts		(10½ bid 11 asked)			
10	8	1	12.5	Ont. Steel		(8 bid — asked)			
†110	110	7		Do. pref.		(110 bid 115 asked)			
.60	.45			Orange Crush.		(.50 bid — asked)			
3	1½			Do. pref.		(1½ bid 2 asked)			
5	4	‡20c		Ott. Car Air.		(— bid 4½ asked)			
17	12	2	14.3	Ottawa El. Rly.		(17½ bid — asked)			
6	4	60c	12	Ott. L. H. & Pr.		(5 bid 6 asked)			
80	78	5	6.2	Do. pref.		(80 bid — asked)			

P, Q, R

Range 1942 High	Low	Div R'te $	Sep19 Y'ld %	Company	Sales	Last Sept. 14	Week end. Sept. 21 H	L	Cl'se
†35	30	3c		Pacific Coyle		(— bid — asked)			
103	87	5	5.6	Page Hersey	25	90	89	87	87½
5	5			Pantepec Oil		(3½ bid 5½ asked)			
30½	30½	4		Paton Mfg.		(33 bid — asked)			
113	113	7	6.2	Do. pref.	2	113	113	113	113
48	41½	3	7.2	Penmans	100	41½	42	42	42
124	120	6	4.9	Do. pref.		(120 bid — asked)			
5	5	25c		People's Cr Sec		(4½ bid 5½ asked)			
14½	10	1	9.3	Photo Eng.	150	11	10½	10½	10½
100½	96	7	7	Porto Rico Pr p		(98 bid — asked)			
4½	2½	30c		Power Corp.	35	4	4	3½	3½
85	73	6	8.2	Do. pref.	40	80	76	73	73
33½	31	3	9.7	Do. 2nd pref.		(20 bid 30½ asked)			
4½	3			Pressed Metals.	25	3½	3½	3½	3½
11	6			Price Bros.	150	6½	6⅞	6½	6½
70	45	5.50	10.2	Do. pref.		(— bid 58 asked)			
6	4½	40c	6.7	Prov. Transport	5	6	6	6	6
13	11	1	8.3	Quebec Power.	15	12	12	12	12
4	4			Que. Telephone		(4 bid — asked)			
24	24	2	8.3	Real Estate L'n		(23 bid — asked)			
5	3	50c		Regent Knit	25	4	4	4	4
21	15½	1.60	7.6	Do. pref.		(18½ bid 20 asked)			
3½	3			Reliance Grain.		(3½ bid — asked)			
67	66	6.50	9.7	Do. pref.		(69 bid 75 asked)			
24	17½	2	9.5	River S. Mill		(18 bid 23 asked)			
8	5½	60c	9.2	Rolland Pap.		(— bid 8 asked)			
94	90	6	6.6	Do. pref.	5	90	91	91	91
155	115	6	5	Royal Bank	230	116	120	116	119½
15½	12	80c	6.3	Russell Indust.		(12½ bid 15 asked)			
150	130½	7	5	Do. pref.		(134½ bid 145 asked)			

S

Range 1942 High	Low	Div R'te $	Sep19 Y'ld %	Company	Sales	Last Sept. 14	Week end. Sept. 21 H	L	Cl'se
106½	103	5.50	4.8	Saguenay Pr.	20	105	104½	104½	104½
24½	24½	1	4.1	Sangamo		(24 bid — asked)			
8	6½			Sarnia Br. (A)		(6 bid 7 asked)			
1	½			Do. (B)		(1 bid 2 asked)			
14½	14½	1+50c	10.3	Scythes & Co.	23	..	14½	14½	14½
24½	24½	1.75	7.3	Do. pref.	75	..	24½	24½	24½
14	12	90c	6.5	Shawinigan Pr.	305	13½	14	13½	13½
13½	7	45c		Sher. Wms.	100	9	7	7	7
115½	108	7	6.2	Do. pref.	10	110	112	112	112
8½	6	40c	5.7	Silverwoods		(7 bid 8 asked)			
8	5½	40c	5.9	Do. pref.		(7 bid 7½ asked)			
10	7	60+15c	9	Simon & Sons.		(8 bid 8½ asked)			
105	105	7	6.7	Do. pref.		(98½ bid — asked)			
7½	3½			Simpson, A.		(4 bid 6 asked)			
2½	1			Do. (B)		(2 bid 2½ asked)			
89	65	6.50	8.7	Do. pref.	60	73	74½	73½	74½
†135	132	6		Simpson, R., pf.		(132 bid 149 asked)			
10½	8½	80c	8.9	So. Can. Pr.		(8½ bid 10 asked)			
103½	99½	6	5.9	Do. pref.	9	103	103	101½	103
2.00	.95			St. Law. Corp.	50	1.05	1.10	1.10	1.10
15½	8½	1	11.1	Do. (A)	275	8½	9	9	9
25	22	1.40+50c	9	St. Law. Flour		(22 bid — asked)			
122	115	7	6.1	Do. pref.		(115 bid — asked)			
43	24½	3	12	St. Law. Pap. p	28	24½	25	25	25
11	9	1.25		Stand. Chem.	50	10	10	10	10
2	1			Stand. Clay		(2 bid 5 asked)			
.55	.35			St. Pav. & Mat.		(.40 bid .85 asked)			
5½	4	31½c		Do. pref.		(4½ bid 5½ asked)			
4	3	40c		Stand. Radio	270	3	3½	3½	3½
20	13½	60+60c	9	Stedman Bros.		(15 bid 20 asked)			
63½	57	3	4.9	Steel of Can.	45	60	61	60½	60½
70½	66½	3	4.5	Do. pref.	135	68	67	66½	67
3	3			Sterling Coal	50	3	3	3	3
.25	.15			Stop & Shop.		(— bid .25 asked)			
13½	11½	80+50c▪		Stuart, D.A., pf.	25	11½	11½	11½	11½
†3½	2½			Supersilk H. A.		(— bid 2 asked)			
†3	2½			Do. (B)		(— bid 3 asked)			
69½	57	5	7.9	Do. pref.		(— bid 65 asked)			
19	18½	1+25c	6.7	Sup. Pete. ord.		(18½ bid 21½ asked)			
20	18½	1+25c	6.7	Do. com.		(— bid 32 asked)			

T, U, V

Range 1942 High	Low	Div R'te $	Sep19 Y'ld %	Company	Sales	Last Sept. 14	Week end. Sept. 21 H	L	Cl'se
11½	8½	80c	8	Tamblyn	15	10	10	9½	9½
52½	52½	2.50	4.8	Do. pref.	13	52½	52½	52½	52½
1.25	1.25			Thayers	5	1.25	1.25	1.25	1.25
24	20	3.50		Do. pref.		(— bid 35 asked)			
2½	1			Thrift Stores		(2½ bid 5 asked)			
14	10			Do. pref.		(14½ bid 15 asked)			
8½	4	52½c		Tip Top Tailors		(4½ bid 5½ asked)			
106	95	7	7.4	Do. pref.	10	96	95	95	95
†1.50	1.00			Tooke Bros.		(1.00 bid — asked)			
13½	12			Do. pref.		(15 bid 20 asked)			
20	16½	1	5.9	Tor. Elevators.		(17 bid — asked)			
50	45	2.62½	5.6	Do. pref.		(47½ bid 50 asked)			
76	63	4	6.1	Tor. Gen. Tr.		(66 bid 75 asked)			
84½	50	5	8.3	Toronto Mtge.	20	55	60	60	60
151	147	7	4.7	Tuckett Tob. p.	14	150	150	150	150
3½	1			Twin City		(3½ bid 10 asked)			
28½	28½	3.50		Do. pref.		(35 bid — asked)			
10¾	4½			Union Gas	940	5½	5⅜	5½	5½
13½	12½	80c	6.1	Un. Amuse. (A)		(13 bid — asked)			
13½	12½	80c	6.1	Do. (B)		(13 bid — asked)			
1.20	.75	10c		United Distil	500	1.15	1.05	1.05	1.05
36	29	3	9.8	United Fuel, pf.	60	31½	30½	30	30½
3½	2½			Do. (B) pref.		(3½ bid 5 asked)			
3	3			United Secs.		(4 bid — asked)			
4½	2½			United Steel	250	3½	3½	3½	3½
3½	3			Viau Bisc.		(— bid — asked)			
60	48½	5	8.3	Do. pref.		(45 bid — asked)			

W, Y, Z

Range 1942 High	Low	Div R'te $	Sep19 Y'ld %	Company	Sales	Last Sept. 14	Week end. Sept. 21 H	L	Cl'se
44	35	4	11.3	Wabasso Cot.		(28 bid — asked)			
50½	40	4	8.9	Walker-Good.	764	44½	45	44	45
21	18	1	5.2	Do. pref.	255	19½	19½	19	19
1.15	1.00	‡5c		Walkerville Br.		(1.15 bid 1.20 asked)			
136	136	7	5.2	W. Koot. Pr. p		(135 bid — asked)			
1.20	1.00			West. C. Flour.		(1.00 bid 1.50 asked)			
29	18			Do. pref.	69	24	25	24	25
51	44	3+2	11.1	West Grocers	10	45½	45	45	45
111	109	7	6.3	Do. pref.		(110 bid 120 asked)			
‡15½	11½	50c		W'minster Pap.		(— bid — asked)			
11½	9½	80c	8	Weston Ltd.	50	10½	10	10	10
94½	90	5	5.3	Do. pref.		(92 bid 96 asked)			
16½	14½	1	6.7	Wilsils		(14½ bid 15½ asked)			
1.25	.65			Winnipeg El. A	358	1.25	1.25	1.20	1.20
1.25	.60			Do. (B)	66	1.25	1.25	1.20	1.20
12½	5½			Do. pref.	197	12	12½	12	12½
80	68	7	10	Wood, A & J p		(68 bid 70 asked)			
60	55			Woods Mfg. pf.		(— bid — asked)			
5	4	40c		York Knitting.		(3½ bid 4½ asked)			
•100	100	7		Do. 1st pref.		(— bid — asked)			
12	10½	80c	7.3	Zellers		(10½ bid 11 asked)			
25	24	1.50	6.2	Do. pref.	30	24	24½	24	24

Quotations: †1941. § 1940. • 1939. * 1938.

▲ On account of arrears. ‡ Paid in 1941. ♦ Paid in 1942 to date.

▪ Participating.

* Net after corporate income tax paid in 1942 to date.

Mining Stocks

Week Ending September 21

A

Par Val.	Range 1942 High	Low	Company	Sales	Close Sept. 14 (or last)	High for week	Low for week	Close Sept.21
No	.16½	.05	Aldermac	1,300	.08½	.07½	.07½	.07½
1	.00⅝	.00¼	Amm. Gold		(.00½ bid .01 asked)			
No	2.55	1.75	Anglo-Huronian		(2.00 bid 2.10 asked)			
No	.25	.20	Argus Interests		(.25 bid .50 asked)			
No	•.01	.01	Arno		(.... bid .01½ asked)			
1	.04½	.02	Ashley	500	.03	....	.03	.03
1	.02	.01½	Astoria Quebec		(.... bid .02 asked)			
1	1.47	.85	Aunor Gold	2,100	1.07	1.14	1.10	1.11

B

Par Val.	Range 1942 High	Low	Company	Sales	Close Sept. 14 (or last)	High for week	Low for week	Close Sept.21
1	.06	.02	Bagamac		(.... bid .... asked)			
1	.05½	.02½	Bankfield		(.02½ bid .04½ asked)			
No	.09½	.05	Base Metals		(.05½ bid .07 asked)			
1	.06½	.02½	Bear Exploration	500	.03½	.03½	.03½	.03½
1	.94	.55	Beattie Gold	300	.58	.56	.56	.56
1	.03	.02½	Beaufor		(.01½ bid .03 asked)			
1	.65	.60	Berens River		(.40 bid .80 asked)			
1	.10	.04½	Bidgood Kirk	4,000	.06	.06	.06	.06
1	.12½	.06	Bobjo	3,900	.08	.09	.08	.08
1	.32½	.05	Bonetal Gold	9,900	.05½	.06	.05	.06
1	.03	.01½	Bouscadillac G.M.		(.01½ bid .02 asked)			
No	9.30	5.75	Bralorne	1,010	6.15	6.20	6.05	6.05
1	.03	.02½	Brazil Gold		(.... bid .02½ asked)			
1	.00½	.00½	Brett Trethewey		(.00½ bid .00½ asked)			
1	.61	.34	Broulan Porc.	3,500	.34	.35	.34½	.35
1	2.80	.90	Buffalo Ankerite	1,400	1.16	1.15	1.11	1.15
No	.03	.01	Buffalo Can.	10,000	.02½	.03	.02½	.02½
5	12.50	5.00	Bulolo Gold		(7.00 bid 8.00 asked)			
No	.01½	.01	Bunker Hill		(.01 bid .... asked)			

C

Par Val.	Range 1942 High	Low	Company	Sales	Close Sept. 14 (or last)	High for week	Low for week	Close Sept.21
1	•.11	.05	Camp Bird		(.... bid .06 asked)			
No	.49	.23	Can. Malartic	500	.39	.38	.38	.38
1	1.72	.84	Cariboo Gold		(.... bid 1.00 asked)			
1	.01	.00½	Cartier Malartic		(.00½ bid .01 asked)			
1	.60	.45	Castle Trethewey		(.... bid .52 asked)			
1	.05	.02	Cen. Cadillac		(.02 bid .03 asked)			
1	1.30	.68	Cen. Patricia	1,250	.68	.68	.68	.68
1	.10½	.04	Cen. Porcupine	44,244	.04½	.04½	.04½	.04½
1	.18½	.15	Century Mining		(.... bid .13½ asked)			
1	1.50	.43	Chesterville	5,300	.51	.51	.49½	.51
No	2.20	1.20	Chromium	20	1.30	1.50	1.50	1.50
5	1.10	.50	Coast Copper		(.50 bid .95 asked)			
1	.74	.46	Cochenour Willans	2,475	.55	.56	.54	.54
5	1.15	.75	Coniagas		(.75 bid .... asked)			
No	.94	.50	Coniaurum	900	.55	.58	.56	.56½
5	39.00	32.00	Cons. Smelters	246	34.00	34.00	33.50	34.00

D, E

Par Val.	Range 1942 High	Low	Company	Sales	Close Sept. 14 (or last)	High for week	Low for week	Close Sept.21
1	.65	.26½	Delnite		(.... bid .... asked)			
1	.06	.02½	Denison Nickel	1,000	.03	.03	.02½	.03
No	17.50	10.37	Dome Mines	470	14.50	15.00	14.37	15.00
1	.10	.02½	Duquesne	10,000	.03	.03	.02½	.03
1	2.24	.98	East Malartic	4,100	1.00	1.05	1.00	1.05
1	.55	.32	Eldorado	1,900	.52	.54	.50½	.52

F, G

Par Val.	Range 1942 High	Low	Company	Sales	Close Sept. 14 (or last)	High for week	Low for week	Close Sept.21
No	3.60	2.20	Falconbridge	200	2.30	2.45	2.40	2.40
1	.02½	.01¼	Federal	7,500	.01½	.01½	.01½	.01½
No	.42½	.05	Francoeur Gold	500	.20	.20	.20	.20
1	.04	.01½	Gillies Lake	1,500	.02½	.03	.03	.03
1	.01	.00½	Glenora	500	.00½	.00½	.00½	.00½
No	.20	.08	God's Lake	12,600	.14½	.15½	.13½	.13½
1	.11½	.06½	Goldale	1,000	.09	.08	.08	.08
50c.	.15	.13	Gold Belt		(.11 bid .12 asked)			
1	.10	.03½	Gold Eagle	10,450	.09½	.10	.09½	.10
1	.04½	.01	Golden Gate	4,000	.01½	.02	.02	.02
1	.01	.01	Goodfish		(.01 bid .01½ asked)			
1	.01½	.01½	Graham Bousquet		(.01 bid .02½ asked)			
No	.05	.03½	Grandora		(.04 bid .06 asked)			
1	.02	.01½	Gull Wihksne		(.01½ bid .02½ asked)			
1	.14	.07	Gunnar Gold	2,500	.09	.09½	.08½	.09½

H, I

Par Val.	Range 1942 High	Low	Company	Sales	Close Sept. 14 (or last)	High for week	Low for week	Close Sept.21
1	.03	.01½	Halcrow Swayze		(.02 bid .03½ asked)			
1	.00½	.00½	Halliwell Gold		(.00½ bid .01½ asked)			
1	3.00	1.60	Hallnor Mines		(1.70 bid .... asked)			
1	.55	.28	Hard Rock	3,610	.31	.35	.34	.35
1	.04½	.02	Harker	500	.02	.02	.02	.02
1	.29	.20	Hedley Mascot		(.18 bid .20 asked)			
5	10.50	6.65	Hollinger	1,634	7.25	7.40	7.25	7.35
1	.20	.13	Howey Gold	925	.14	.14	.13½	.14
No	28.12	21.75	Hudson Bay	2,065	22.00	22.50	22.00	22.25
1	.31	.19	Inspiration	400	.25	.25	.24	.24
No	36.25	29.00	Int. Nickel	2,682	30.00	30.63	30.00	30.50
50c.	•1.30	.65	Island Mountain		(.... bid 1.30 asked)			

J, K, L

Par Val.	Range 1942 High	Low	Company	Sales	Close Sept. 14 (or last)	High for week	Low for week	Close Sept.21
1	.01½	.00½	Jacola		(.... bid .00½ asked)			
1	.20	.03½	Jack Waite	2,200	.04½	.04	.03½	.03½
1	.29½	.10	Jason Mines		(.09 bid .10 asked)			
1	.02½	.00½	Jellicoe	1,300	.01½	.00½	.00½	.00½
1	.00½	.00½	J. M. Cons. Gold		(.00½ bid .01 asked)			
1	.03½	.01½	Joliet Quebec		(.01½ bid .01½ asked)			
1	4.40	2.93	Kerr Addison	27,125	3.75	3.85	3.55	3.60
1	.22	.22	Kerr Lake		(.10 bid 1.00 asked)			
1	.05	.00½	Kirk. Gold Rand		(.01½ bid .03½ asked)			
1	.26	.12	Kirk. Hud. Bay		(.... bid .25 asked)			
1	.62	.40	Kirkland Lake	9,800	.42	.43	.41½	.42
1	.59	.35	Lake Dufault	3,800	.35½	.35	.35	.35
1	12.00	6.75	Lake Shore	4,665	7.45	8.00	7.45	8.00
No	4.15	3.15	Lamaque Gold	292	3.80	3.40	3.25	3.40
1	.09	.03	Lapa Cadillac	700	.04	.05	.03½	.03½
1	.01½	.00½	Lebel Oro		(.00½ bid .01½ asked)			
1	.60	.38½	Leitch Gold	6,800	.48½	.50	.48	.48½
No	1.35	.65	Little Long Lac	1,050	.65	.73	.70	.73

M

Par Val.	Range 1942 High	Low	Company	Sales	Close Sept. 14 (or last)	High for week	Low for week	Close Sept.21
1	2.85	1.70	Macassa	1,800	1.81	2.05	1.85	2.02
1	1.68	.93	MacLeod Cockshutt	19,530	.95	1.09	.95	1.09
1	.54	.30	Madsen Red Lake	7,600	.35½	.40	.37	.39
1	2.22	1.12	Malartic Gold	15,310	1.22	1.26	1.21	1.25
No	.00½	.00½	Man. & Eastern		(.00½ bid .00½ asked)			
1	.02	.01	Maralgo		(.01½ bid .04 asked)			
5	45.50	36.00	McIntyre	595	40.00	40.50	40.00	40.37
1	1.04	.80	McKenzie R.L.	10,715	.52	.54	.52	.54
1	.03	.01	McLellan Gold		(.01 bid .01½ asked)			
1	.05	.03	McVittie Graham		(.04 bid .05½ asked)			
No	.11	.06½	McWatters	500	.08	.08½	.08½	.08½
5	1.20	.15	Mentor Exploration		(.06 bid .... asked)			
No	1.40	.90	Mining Corp.	140	.90	.95	.95	.95
1	.30	.20	Moneta	2,160	.25	.37	.26½	.37

N, O

Par Val.	Range 1942 High	Low	Company	Sales	Close Sept. 14 (or last)	High for week	Low for week	Close Sept.21
1	.23	.08½	Naybob	1,100	.09	.09	.08½	.08½
1	.50	.30	Negus Mines		(.26 bid .40 asked)			
5	1.01	.75	Nipissing	350	.85	.90	.85	.90
No	52.00	41.00	Noranda	794	42.63	43.00	42.50	43.00
No	.25	.14	Nor. Canada		(.15½ bid .20 asked)			
1	.04	.02½	Norgold		(.01½ bid .03 asked)			
No	.90	.48	Normetals	6,150	.60	.63	.61	.63
1	1.00	1.00	Northern Empire		(2.00 bid .... asked)			
1	.91	.45	O'Brien	1,000	.50	.50	.48½	.50
1	.10	.05	Omega	3,000	.05	.06	.05	.06
1	.16	.06½	Ontario Nickel	185,000	.12½	.13½	.12	.13½
1	.06	.02	Osisko		(.02½ bid .03½ asked)			

P, Q, R

Par Val.	Range 1942 High	Low	Company	Sales	Close Sept. 14 (or last)	High for week	Low for week	Close Sept.21
No	.90	.32	Pamour	6,500	.35	.44	.35	.44
1	.04	.02	Pandora		(.01 bid .03½ asked)			
1	.02	.01	Partanen Mal.		(.01½ bid .01½ asked)			
1	3.00	2.00	Pato Cons. G.		(2.25 bid 2.50 asked)			
1	.00½	.00½	Pawnee Kirk.		(.00½ bid .01 asked)			
1	.19	.10	Paymaster	1,300	.14½	.14½	.14½	.14½
1	1.75	.85	Pend Oreille	1,550	.90	.95	.90	.90
1	1.35	.62	Perron Gold	1,725	.68	.67	.65	.67
1	2.35	1.38	Pickle Crow	1,450	1.40	1.45	1.40	1.45
1	2.20	1.12	Pioneer Gold B.C.	1,900	1.12	1.15	1.13	1.15
1	5.25	4.25	Placer Devel.		(5.00 bid 6.25 asked)			
1	.78	.36	Powell Rouyn	1,700	.37	.38	.36	.38
1	.60	.35	Premier Gold		(.37 bid .39 asked)			
1	3.20	1.35	Preston E. Dome	12,800	1.45	1.50	1.42	1.48
1	.20	.12	Prospectors Air's		(.10 bid .... asked)			
No	.25	.17	Quebec Gold		(.18 bid .... asked)			
1	.39	.08	Queenston Gold	700	.18	.18	.15	.18
1	.06	.02	Quemont		(.04 bid .06 asked)			
No	.08½	.00½	Red Crest		(.... bid .03 asked)			
No	.45	.40	Reeves McDonald		(.17 bid .... asked)			
1	.25	.02½	Reno Gold		(.07 bid .08 asked)			
1	.03	.02	Roche Long Lac		(.02½ bid .03½ asked)			

S

Par Val.	Range 1942 High	Low	Company	Sales	Close Sept. 14 (or last)	High for week	Low for week	Close Sept.21
1	2.05	1.32	San Antonio	3,612	1.42	1.46	1.45	1.46
1	.02½	.00½	Sand River		(.00½ bid .01 asked)			
1	.18	.09	Senator Rouyn	9,900	.14	.15	.13	.15
1	.01½	.01	Shawkey	100	.01	.01	.01	.01
50c.	.83	.65	Sheep Creek		(.73 bid .77 asked)			
1	.98	.55	Sherritt Gordon	6,721	.58	.58	.55	.58
1	6.00	4.05	Sigma Mines	950	4.45	4.55	4.25	4.25
1	.50	.28	Siscoe	800	.32	.32½	.31½	.32½
1	.34	.17	Sladen Malartic	2,000	.17½	.18	.17½	.18
1	.06	.01	Slave Lake	2,500	.02	.02½	.02	.02
1	.04	.01½	St. Anthony	3,000	.01½	.01½	.01½	.01½
No	1.96	.87	Steep Rock	10,925	1.37	1.43	1.33	1.33
No	.01½	.00½	Straw Lake		(.00½ bid .01½ asked)			
1	.13½	.07	Sturgeon River	500	.10½	.10½	.10½	.10½
No	1.70	1.10	Sudbury Basin		(1.16 bid 1.30 asked)			
1	.02½	.01½	Sudbury Contact		(.... bid .04 asked)			
1	.65	.48	Sullivan Cons.	2,400	.53	.54	.52	.54
1	1.98	1.15	Sylvanite	900	1.30	1.31	1.30	1.30

T, U, V

Par Val.	Range 1942 High	Low	Company	Sales	Close Sept. 14 (or last)	High for week	Low for week	Close Sept.21
1	2.34	1.45	Teck Hughes	1,845	1.48	1.53	1.45	1.48
1	.03½	.02½	Temiskaming		(.03½ bid .04 asked)			
1	1.10	.45	Toburn Gold	100	.48	.50	.50	.50
1	.13	.08	Towagmac		(.08 bid .11 asked)			
No	.50	.23	Trans. Resources	300	.30	.27	.27	.27
1	.05	.01	Uchi Gold		(.03½ bid .04½ asked)			
	40.00	15.00	Uchi Bonds	$500	28.00	28.00	28.00	28.00
1	1.24	.59	Upper Canada	1,100	.62	.69	.66	.66
No	5.00	2.95	Ventures	520	3.40	3.50	3.35	3.50

W, Y, Z

Par Val.	Range 1942 High	Low	Company	Sales	Close Sept. 14 (or last)	High for week	Low for week	Close Sept.21
No	4.80	3.50	Waite Amulet	2,138	3.50	3.80	3.70	3.70
1	.17	.08	Wendigo	1,000	.14	.16	.16	.16
1	.01½	.00½	Wiltsey Coughlan	4,000	.01½	.01½	.01½	.01½
1	.04	.01	Wood Cadillac	500	.01½	.02	.01½	.01½
No	2.90	1.81	Wright-Hargreaves	4,495	1.99	2.15	1.99	2.12
No	.05	.02½	Ymir Girl	2,000	.03½	.04	.03½	.03½

Oil Stocks

Par Val.	Range 1942 High	Low	Company	Sales	Close Sept. 14 (or last)	High for week	Low for week	Close Sept.21
No	.10	.03	Acme Gas & Oil		(.04½ bid .07 asked)			
1	.07½	.05	Alta. Pac. Cons.	1,000	.06½	.06½	.06½	.06½
1	.13	.08	Ajax		(.10 bid .15 asked)			
No	.18	.15	Amalgamated	100	.15	.15	.15	.15
No	.56	.32	Anglo Canadian	3,700	.35	.37	.36	.37
No	.29	.09	Br. Dominion	27,000	.19½	.20½	.19	.20
No	.07	.04	Brown Oil	2,000	.04	.04	.04	.04
No	1.20	.78	Calgary & Ed.	1,420	.81	.85	.82	.84
1	.18	.10	Calmont	1,368	.11	.12	.10	.12
No	.22	.13	Commoil		(.13 bid .... asked)			
No	.30	.18	Common Pete		(.20 bid .22 asked)			
No	.30	.12	Dalhousie		(.17 bid .... asked)			
No	.17½	.11	Davies Pete	4,000	.11	.11	.11	.11
No	.04	.01½	East Crest	500	.02½	.02½	.02½	.02½
No	.22	.32	Federated Pete		(.... bid .... asked)			
No	.85	.55	Foothills	500	.70	.65	.65	.65
No	.01	.01	Grease Creek Pete		(.00½ bid .02 asked)			
No	†.08	.04	Hargal		(.... bid .... asked)			
No	.20	.07	High Sarcee		.07	.07½	.07½	.07½
No	2.70	2.05	Home	1,000	2.25	2.31	2.21	2.31
1	.07	.02	Homestead O. & G.	4,600	.02	.02	.02	.02
No	.04	.02½	McD. Segur	1,000	.02½	.03½	.03½	.03½
1	.20	.13	Model		(.12½ bid .... asked)			
25c.	.04	.04	National Petroleum		(.04 bid .05 asked)			
1	.05	.02½	Nordon		(.02½ bid .... asked)			
No	.03	.01½	Oil Selections		(.02½ bid .03½ asked)			
No	.40	.21	Okalta		(.20 bid .... asked)			
No	.04½	.02	Pacalta	1,000	.03	.03	.03	.03
1	•.27	.15	Pacific Petroleum		(.... bid .... asked)			
No	.25	.25	Petrol Oil & Gas		(.... bid .... asked)			
No	19.75	16.00	Royalite	85	17.00	17.00	17.00	17.00
No	.05	.02	South End		(.01½ bid .03 asked)			
No	.17	.10	South West Pete		(.... bid .20 asked)			
5	1.60	.70	Texas Can.	140	.90	.90	.90	.90
No	.04½	.03	United Oils	1,500	.03½	.03	.03	.03
1	.13	.05½	Vermilata	1,700	.07½	.08	.07½	.08
1	.22	.15	Vulcan		(.14 bid .20 asked)			

Vancouver Stocks

Par Val.	Range 1942 High	Low	Company	Sales	Close Sept. 14 (or last)	High for week	Low for week	Close Sept.21
1	.05½	.02	Bayonne Cons.		(.02 bid .03 asked)			
No	9.20	5.80	Bralorne	500	6.10	6.15	6.05	6.05
1	†.00½	.00½	Bridge River Cons.		(.... bid .... asked)			
1	1.74	.85	Cariboo Gold	250	.85	.85	.85	.85
No	.01	.00½	Dentonia		(.... bid .00½ asked)			
No	.00½	.00½	Fairview Amal.		(.00½ bid .... asked)			
1	.20	.10	George Copper		(.13½ bid .... asked)			
1	.06½	.04	Golconda		(.04 bid .... asked)			
50c.	.18	.10	Gold Belt	500	.12	.12	.12	.12
50c.	.18	.10	Grandview		(.10½ bid .... asked)			
1	.03½	.01½	Grull Wihksne		(.01½ bid .... asked)			
1	.35	.17	Hedley Mascot	1,000	.19	.20	.20	.20
No	.00½	.00½	Home Gold		(.00½ bid .01½ asked)			
1	.01½	.01½	Indian Mines		(.01 bid .... asked)			
50c.	1.06	.85	Island Mountain		(.73 bid .85 asked)			
1	.30	.28	Inter'tl Coal	2,000	.30	.28½	.28	.28
50c.	.25	.15	Kootenay Belle		(.18 bid .20 asked)			
1	.20½	.18	McGillivray Creek		(.17½ bid .23 asked)			
No	.01	.00½	Minto Mines	1,500	.00½	.00½	.00½	.00½
50c.	.02	.00½	Nicola		(.00½ bid .... asked)			
1	.10	.03	Pacific Nickel	3,500	.04½	.05	.05	.05
1	1.75	.90	Pend Oreille		(.85 bid .... asked)			
1	2.15	1.10	Pioneer Gold		(1.12 bid .... asked)			
No	.02	.00½	Premier Border	10,000	.01½	.01½	.01½	.01½
1	.60	.38	Premier Gold	5,200	.38	.39	.38	.38
No	.47	.24	Privateer Mines	1,700	.26	.25	.24	.24½
1	.02	.01	Quatsino Copper		(.01½ bid .... asked)			
1	.50	.20	Reeves McDonald		(.18 bid .... asked)			
1	.23	.02	Reno Gold	11,000	.06½	.07	.07	.07
50c.	.00½	.00½	Salmon Gold		(.... bid .... asked)			
50c.	.84	.61	Sheep Creek	1,150	.73	.75	.73	.73
1	.75	.50	Silbak Premier		(.55 bid .... asked)			
No	•.00½	.00½	Silvercrest		(.... bid .... asked)			
50c.	.10	.06	Surf Inlet		(.04½ bid .... asked)			
No	.02	.02	Taylor Bridge		(.02 bid .04 asked)			
20c.	.02½	.00½	Wellington		(.01 bid .... asked)			
1	.04½	.01½	Whitewater	7,000	.02½	.03½	.03	.03½
No	.04	.04	Ymir Yankee Girl		(.03 bid .... asked)			

Oil Quotations

Par Val.	Range 1942 High	Low	Company	Sales	Close Sept. 14 (or last)	High for week	Low for week	Close Sept.21
1	.07	.05	Alta. Pac. Cons.		(.06 bid .... asked)			
No	.55	.35	Anglo Canadian	500	.43	.36½	.36½	.36½
No	.03	.02½	Anaconda		(.02½ bid .02½ asked)			
No	.25½	.18	Brit. Dominion	1,000	.18	.19	.19	.19
No	.04	.04	Brown Oil		(.... bid .... asked)			
No	1.17	.80	Calgary & Ed.	850	.85	.86	.85	.85
1	.17	.10	Calmont		(.11½ bid .... asked)			
No	.23	.14	Commoil		(.13 bid .... asked)			
No	.28	.18	Commonwealth		(.20 bid .22 asked)			
No	.22	.14	Dalhousie		(.17 bid .... asked)			
No	.16½	.10½	Davies Pete		(.... bid .11 asked)			
No	.02½	.02½	East Crest		(.02 bid .... asked)			
No	•.36½	.21	Federated Petroleum		(.... bid .... asked)			
No	.85	.60	Foothills		(.65 bid .... asked)			
No	.20	.07	High Sarcee		(.06 bid .... asked)			
No	2.67	2.00	Home Oil	915	2.21	2.29	2.15	2.29
No	.01½	.00½	Madison		(.01½ bid .... asked)			
No	.01½	.01	Marjon Oil		(.01 bid .01½ asked)			
No	.04½	.02½	McD. Segur Ex.		(.03½ bid .04 asked)			
No	.05½	.03½	Mercury		(.04 bid .04½ asked)			
No	.07	.05½	Mill City Pete		(.... bid .... asked)			
1	.20	.12	Model		(.13 bid .18 asked)			
25c.	.04½	.03	National Pete		(.04 bid .... asked)			
1	.03	.02	Nordon		(.03 bid .... asked)			
No	.40	.20	Okalta	2,000	.25	.22	.22	.22
No	.04	.02½	Pacalta Oil		(.02½ bid .03½ asked)			
1	.25	.14	Pacific Petroleums		(.19 bid .25 asked)			
No	.05½	.02½	Royal Canadian	3,000	.03½	.03	.03	.03
No	†.10½	.06	Royal Crest		(.... bid .... asked)			
No	18.63	16.00	Royalite		(16.50 bid .... asked)			
No	.05	.03	South End		(.... bid .... asked)			
No	.20	.15	Southwest Pete	300	.15	.15	.15	.15
1	.05	.03	Spooner		(.03 Aug. 25)			
25c.	.09½	.06	Sunset Oil		(.06 bid .... asked)			
No	.04½	.03	United	1,000	.04	.03½	.03½	.03½
No	.05	.04	Vanalta		(.04½ bid .04½ asked)			
1	.20	.12	Vulcan		(.13 bid .... asked)			

* Quotations for 1941; † 1940.

Winnipeg Stocks

(Transactions from Sept. 14 to Sept. 19)

	Sales	High for period	Low for period	Close Sept. 19
Dominion Envelope, pref.	10	90.00	90.00	90.00
Marvel Oils	3,000	.04½	.04¼	.04¼
Western Breweries	10	2.25	2.25	2.25
Western Steel Prod.	30	9.00	9.00	9.00

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beav. Lumber, c	2½	5	Grouped Inc.	..	4¼
Beav. Lumber, p	100	..	Nor. C. Mtg. un.	5½	..
Can. Indemnity	150	..	Nor. Mtge.	.75	..
Cres. Cream., p.	16	20	Nor. Trusts	6	..
Dom. Envel., c.	..	7½	Traders Bldg.	44	..
Fed. Grain, c.	..	1¼	Unit. Grain, A.	10½	..
Do., pref.	..	39	West. Grain, p.	..	7

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Sept. 22	2,900	7,600	91,000	......
Sept. 21	3,300	1,700	94,000	3,150
Sept. 19	1,700	700	50,000	1,900
Sept. 18	6,400	4,100	86,000	12,400
Sept. 17	5,500	2,000	94,000	11,250
Sept. 16	4,700	1,200	84,000	4,500

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Sept. 22, 1942

%	Due	Bid	Ask.	Approx. Yld.
Dominion of Canada Bonds				
3	Oct. '52	100	100⅛	..
2¼	June '43	100½	101¼	.74
3	Oct. '43	103⅜	104	1.27
2	June '44	100¼	101¼	1.31
1½	Sept. '44	99¾	100½	1.36
2½	Jan. '44	100¼	100⅝	b.75
4½	Oct. '44	105½	106½	1.50
2½	Nov. '44	101¼	102¼	1.44
a2½	Aug. '45	100½	‡100⅝	b1.80
4	Oct. '45	102½	102⅞	b1.43
2	Mar. '45	100⅝	101½	1.53
2	Dec. '46	99⅝	99⅞	2.03
4½	Feb. '46	108	108½	1.89
2½	Mar. '48	99½	99¾	2.30
3½	June '49	102½	103¼	b2.26
3½	Oct. '49	102½	102⅞	b2.14
3½	Nov. '51	101½	102	b2.89
3½	Feb. '52	102½	102⅞	‡2.88
a3	May '52	101	102	b
4	Oct. '52	105½	106½	b2.62
■3	June '51	100½	100⅞	3.00
3	Oct. '52	99½	100	3.00
3	June '55	99⅝	99⅞	3.01
4½	Nov. '56	106½	107	b2.71
■3	Mar. '54	99¼	100	3.07
4½	Nov. '57	107½	108	b2.85
3	June '58	99½	99⅞	3.02
4½	Nov. '58	108	108½	b2.98
4½	Nov. '59	109	109½	b3.02
a4	Oct. '60	106½	‡107½	b2.98
a3½	Jan. '61	101	101½	3.14
3½	June '66	101	101½	b3.12
a3e	Jan. '67	97	98⅛	3.12
a3e	Nov. '68	97	98⅛	3.12
†3	Perpet'l.	94	94½	3.17
Dominion Guarant'd Bonds				
Can. Natl. Railways:				
2	Feb. '43	100½	100⅞	.20
2½	Jan. '46	100½	101½	1.86
3	May '44	102	102½	1.47
3	Dec. '50	99½	100½	2.84
3	Jan. '59	99½	99½	3.02
•4½	Sept. '51	117½	119	2.19
•4½	Feb. '56	119½	120½	2.66
4½	July '57	120	121	2.78
3	Feb. '53	99½	99⅞	3.03

%	Due	Bid	Ask.	Approx. Yld.
4½	June '55	120½	122	2.73
5	Feb. '54	117½	118½	3.05
•5e	July '69	118½	119½	..
•5e	Oct. '69	122½	123½	b2.04
•5e	Feb. '70	122½	123½	b2.20
Can. Nat. W. Ind. S. S.:				
•5	Mar. '55	122½	123½	2.74
Grand Trunk Pacific Rly.:				
3	Jan. '62	101½	102½	2.82
Provincial Gov't. Bonds				
New Brunswick:				
3	Oct. '51	94½	96½	3.45
3½	Aug. '49	96	98	3.57
3½	June '56	96	98	3.68
c4	Nov. '47	108	110	b.87
c4½	Apr. '61	109½	111½	3.65
c5	Jan. '60	111	113	3.97
Nova Scotia:				
2	Jan. '52	98	99½	3.06
3½	June '56	99½	100½	3.20
3½	Nov. '50	101	102	3.22
c4½	Sept. '52	113	114	b1.58
c4½	Nov. '60	115	117	3.25
c5	Mar. '60	120	122	3.33
Ontario:				
2½	May '45	100	101	2.11
3	Apr. '48	100	101	b2.71
3	Nov. '50	99	100	b3.00
3½	Nov. '51	100½	101½	b3.05
3½	May '55	100½	101½	b3.16
•4	June '62	115	117	2.88
4½	June '50	109	110	3.04
•4½	Jan. '62	119	121	3.06
5	Oct. '48	110	111	3.05
•5	Dec. '60	125	•127	3.04
5½	July '46	108½	109½	2.80
Ont. Hydro Commission:				
3	Aug. '48	100	101	b2.74
3½	Feb. '53	100½	101½	b3.08
3½	Apr. '47	102½	104	2.63
Prince Edward Island:				
4	Mar. '54	102	104	3.57
Quebec:				
3	Nov. '47	98½	99½	3.05
3½	Mar. '48	99½	100½	3.20
3½	Mar. '59	98½	99½	3.53

%	Due	Bid	Ask.	Approx. Yld.
4	Nov '52	102½	103½	b3.36
3½	Feb. '55	100½	101½	b3.37
4½	Aug. '56	105½	107½	3.62
4½	Jan. '63	110	112	3.69
Alberta:				
4½	Oct. '56	77	79	d
4	Dec. '34	76	78	d
•5	Oct. '59	78	80½	d
c5½	Apr. '52	79	81	d
6	Mar. '47	79½	81½	d
British Columbia:				
4	Dec. '57	103	...	...
•4½	Jan. '51	111	113	2.74
c4½	Oct. '53	111	113	3.10
c5	Apr. '54	114½	118½	3.27
5½	Feb. '45	104½	105½	3.11
6	Feb. '47	110	111½	3.28
Manitoba:				
c4	Dec. '57	100	102	3.83
c4½	Dec. '58	104	106	3.93
•5	Dec. '59	107	109	4.28
5½	Oct. '55	110	112	4.38
6	Apr. '47	107	109	1.99
Saskatchewan:				
4	Sept. '54	82½	84	5.38
4	Nov. '60	81½	83	5.39
c4½	Oct. '51	92½	94½	5.27
c4½	Mar. '60	88½	91	5.29
5	Aug. '58	90	92	5.77
5½	Oct. '52	95	97	5.96
6	Mar. '52	97	99	6.13

•-Payable Can., N.Y. and £. b-Calculated to call date giving lowest possible yield. c-Payable Can. & N.Y. a-Payable N.Y.. †-Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds. ♦-Calculated at 1956 average maturity. ■-Callable on or after earliest maturity shown and payable at maturity at 101.

Unlisted Stocks

(Furnished by A. J. Pattison, Jr. & Co., Toronto)

Sept. 22, 1942

Industrial	Bid	Ask.
Acme Farm., pf.	52	..
Andian National	26	27½
Anglo C. Tel., A	6½	7½
Atlas Steels, c.	22	24
B. C. Pulp c.	8	10
Do., pfd.	58	62
B. C. Sugar	57	59
B. C. Tel. p.	102	..
Brown, com.	½	1½
Do., pfd.	16½	20
Burns & Co., A.	4	5
Do., B.	2	3
Can. Indust. A.	131	135
Cap. W. Cloth	5	..
Do., pref.	18	..
Can. Ing. Rand	65	70
Can. Mot. L.A.B.	6	..
Chase, A. W., p.	18	20
Colonial Steam.	41½	45
Corr. Pap. Box c	2	3
Do., rgts.	6	9
Dunlop T. p. $25	16½	17½
Easy Wsh. p $10	9½	11
Galt Brass, c.	10	12½
Goderich Elev.	7	8
Guard. Realty, p	14	16
Guelph Carp., c.	16	18
Gurney Fdry., p.	1	1½
Hayes Steel, c.	11	12
High. Dairy.	..	2
Do., pref.	..	48
Inglis, John	4½	6½
Ingram & Bell p	88	..
Kingst. Ship., c.	9	..
Loblaw Inc., c.	12	12½
Minn.&Ont.P. c.	2½	3½
Mt. Royal H. c.	2½	3½
Moirs, pfd.	18½	21
M'row Screw, p.	101	105
Do., com	14	16
Morrison Br. un	5	6

	Bid	Ask.
Neilson, Wm. p.	100	..
N. Meth. Ldy. p.	68	..
Ont. Tobacco, p.	18½	20
Prov. Paper, pf.	96½	99
Quinte Milk	2½	3½
Stand. Fuel, p.	51	54
Do., com.	½	1½
Stedman, pf. $50	50	55
Sutton Horsley	½	..
Tor. Carpet, c.	64	..
Un. F. Co-op.	3	4
Un. Steel, A pf.	23½	24½
Viceroy Mfg., c.	12	..
Trust & Loan Stocks:		
British Mtge.	115	124
Brockville Tr.	43	..
Cap. Trust	28	31
Comm. Fin., co.	4	..
Grey&Br.Tr. $50	43	..
Guaranty Trust	100	103
Guelph & O. $50	50	53
Indust. Mtge.	25	30
Lambton Loan	32	34½
Midland Loan	14	16
Premier Trust	22	27
Sherbrooke Tr.	120	..
Sterling Trust	50	53
Th. Can. Inv. Tr.	11	..
Traders Fin. A c	3	5
Do., A pref.	46	50
Do., rgts.	6½	8½
Trusts & Guar.	31½	33
Victoria Trust	66	70
Waterloo Trust	100	..
Insurance Stocks:		
Canada Life	347	355
Brit. Amer.	50	51½
Canadian Fire	75	80
Confed. 30% pd.	128	136
Cons. Fire	3½	..

	Bid	Ask.
Continental L.	30	35
Crown Life	250	270
Dominino Fire	138	..
D. of Can. Gen.	117	125
Empire, 25% pd.	4	5
Excelsior 40% pd	68	73
Fed. Fire	52	54
Great-West Life	208	220
Federal, 25% pd	52	54
Halifax Fire	15	16
Imperial Life	260	270
Manufac. Life	212	222
Monarch Life	32	35½
National Life	7	10
Sov. L. 25% pd.	11	13
Sun Life	190	210
Tor. General	41	51
Wellington Fire.	58	..
Western Assce.	36	37½
Theatre Stocks:		
Allen's, St. Cath. units	52	55
Do., Kingston.	62½	65
Do., Toronto p	32½	35
Mansf. Theat. p	30½	31½
Para. Kitch. p.	40	..
Do., Oshawa c	7	9
Investment Trust Shares:		
Inv. Found. un.	40	43
Sec's. Hold. pf.	17	20
United Corp., A	20½	22
Do., B.	4½	5½
Power Issues:		
Can. W. N. Gas	25	27
Do., pfd.	100	..
Gt. Lakes Pr., p	101	104
Int. Util $1.75 p	8	13
Do., $3.50 p.	24	26½
Mtl. Isl. Pwr. p.	41	..
Nor. Ont. Pr. p.	70	74

Unlisted Mines

Toronto, September 22, 1942

	Bid	Ask
Albany R (Old)	.01	.03
(New)	.06	.08
Amal Kir	.03½	.04½
Anoki	.01	.03
Aquarius	..	.12
Arjon	.02	.03
Armistice	.02	.05
Argosy	.03	..
Area	.03½	.04½
Arntfield	.00½	.01½
Atho New	..	.01½
Barb Lard	.01½	.03
Brock	.03	.04
Clif Cons	.10½	.12
Can Rad	..	.06
Cent Man	.01	.02
Cheminis	.02	.02½
Clonmel	1.45	1.50
Columb'e	.21	.23

	Bid	Ask
Cons Chib	.03	.06
Delpine	..	.03½
De Santis (New)	.02½	.04
Dona Pat	..	.01½
Eastward	.05	.10
Elmos	.03	.06
Franco	.15	.20
Galore	.00½	.01½
Goodrock	.46	.49
Hayes Ca	.01½	.02½
Hoyle (New)	.04½	.06
Hugh Pap	.01½	.03
Kirk Gate	..	.01½
Kir Town	.03½	.05½
Lacoma	.00½	.01
Laguerre	.02½	.05
Lake Gen	.05	.08
Low Pete	..	.15

	Bid	Ask
Magnet C	.17	.22
Mag Lake	.06	..
Martin B	.02	.03
Mat Can	.02	.04
Mat Con	.07	.12
McMarnac	.06	.08
Mof Hal N	.01	.02
Mosher	.04	.06½
McManus	.00½	.01½
Nat Mal	.10	.12
Nick Off	1.00	1.30
Norbeau	.16	.20
New Rib	.00½	.00½
Numalake	..	.12
Oklend	.03	.04
O'L Mal	.01½	.03
Opemiska	..	.08
Orpit	.01½	.02½
Pascalis	.07	.10
Pon R O	.03	.05

	Bid	Ask
Pelangio	..	.01½
Polaris	..	.01
Prop'y	3.50	3.75
Presdor	.01½	.02½
Que Man	.26	.28
Rand M	.08½	.10
Bod-Lake	.00½	.02
Ritoria	.01	.02
Rouge	.00½	.02
Sach R	3.10	3.40
S.A.G.A.	..	.25
Sheldon	.04	.06
Skynner L	..	.02
Springer	.11½	.13½
Tombill	.10	.12
Stadacona	.06	..
Thom L	.07½	.08½
Union M	..	.03
Wesley	.00½	.01½
Young D	.18	.20

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Sept. 22, 1942

Public Utility Issues:	Int. Rate %	Due	Bid Sept. 22	Asked	Bid Sept. 15
♦Alg. Cen. H.B.R.	5	'59	20¼	22½	21
†Assoc. Tel. & T.	5½	'55	69½	72½	68½
B. C. Power	4½	'60	99	101	99
B. C. Tel.	4½	'61	105	107	105½
†Calgary Pwr.	5	'60	109½	111½	108½
Do.	5	'64	105	107	105½
†Can. Nor. Pwr.	5	'53	98	100½	98½
•Dom. Gas & El.	6½	'45	103½	106	103½
Gatineau Pwr.	5	'49	100	102	100
♦Do., A	3½	'69	101	103	100½
♦Do., B	3½	'69	99	101	99
Gt. Lakes Pwr.	4½	'56	100½	103	100½
Do.	5	'57	98½	101	98½
•Int. Hydro-El.	6	'44	42	45	45
♦Inter. Power	6	'55	100½	102½	100½
L. St. Law. Pwr.	5	'55	100	102½	100
Macl'n-Que. Pr.	4	'59	100	102	100
Mtl. L. H. & Pr.	3½	'56	102	104	103
Do.	3½	'73	100	102	100
Do.	3½	'63	100	102	100½
†Mtl. Tramways	5	'51	101	103	101½
†Do.	5	'55	82	85	82½
Nat. Lt. & Pwr.	6	'49	101½	104	101½
N. S. Lt. Pr.	4	'57	101½	104	101½
Ottawa L.H.&P.	4	'57	102	104½	102
Ottawa V. Pwr.	5	'59	101	103½	101
†Power Corp.	4½	'59	91½	94	92
Quebec Pwr.	4	'62	103	105	103½
•Saguenay P.	4½	'66	107½	109½	107½
♦Do., B	4½	'66	105½	108	105½
St. Maurice Pr.	4½	'70	104	106	104
Shaw. W. & Pr.	4	'61	104	106	103½
Do.	4	'69	104	106	103½
Union Gas	4½	'50	95½	98½	95½
•Twin C. R. Tr.	5½	'52	92	95	92
†United Secs.	5½	'52	96½	99½	96
‡Wpg. El. ser. A.	5	'65	84	87	83½
Do., B	5	'65	74	77	74
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	56½	59½	55½
Do., C.O.D.	5	'53	55½	58½	55
Acadia Sugar	4½	'55	101	103½	101
Do.	6	'54	94	97	94
†Alta. Pa. Grain.	6	'46	103½	106	103½
Algoma Steel	5	'48	103	105½	103
Atlantic Sugar	4	'51	101	103½	101
†B. C. Pulp & P.	5	'50	80	84	..
‡†Do.	7	'50	103	106	..
•Brown Co.	5	'59	75	78	72½
Burns & Co.	5	'58	70	73	70
Canada Cement	4½	'51	102	104½	102
Canada Electric	4½	'65	96	99	96
Can. Paper	4½	'52	100	102	101
Can. Steamship.	5	'57	102	104½	102
Can. Canners	4	'51	101	103½	101
•Can. Int. Paper.	6	'49	103	105	103
‡Can. Locomotive	6	'53	93	96	93½
‡†Candn. Vickers	6	'47	91	94	91½
C. P. R.	3½	'51	96½	98½	96
Do.	4	'49	100	102	100
Col. Steamships	6	'54	101	103	101
†Consol. Paper	5½	'61	60½	63½	61
Dom. Coal	4½	'52	97	100	97½
Dom. Scott. Inv.	4	'52	98	101	98
Dom. Stl. & C.	6½	'55	103	106	103
Dom. Tar	4½	'51	103½	106	103½
Dom. Woollens.	6	'53	97½	100½	97½
†Donnacona Pap.	4½	'56	75½	78½	76
•Dryden Pap.	6	'49	101	104	101
†East. Dairies	6	'49	68	72	68
Famous Players	4½	'51	101	103	101
†Federal Grain	6	'49	103½	106	103½
•Fraser Cos.	6	'50	102½	105	102½
Galt Brass	5	'50	93½	96½	93
Gen. Stl. Wares	4½	'52	101½	104	101½
•Gt. L. Paper	5	'55	91	93½	91½
•Gurney Fdry.	5½	'49	81	84	81½
†Gypsum Lime	5½	'48	102	104½	102
Ham. By-Pr. C.	5	'55	101	103½	101
Do.	6	'56	100	102½	100
Ham. Cotton	4½	'50	100	102	100
Inter-City Bak.	5½	'48	101	103	101
Indust. Accept.	4	'52	82	85	82
Ins. Ex. Bldg.	6	'51	52	55	52
•Inter. P. Nfld.	5	'68	93½	96½	94
•Inv. Bond & Sh.	5	'47	35	40	35
†Kingston Elev.	5	'50	104	107	104½
Lake St. J. P.	5½	'61	77	80	77½
Do.	5	'61	47	51	.50
Legare	6	'61	88	91	88
Maple L. M.	3	'58	84½	87	84½
Man. Sugar	5	'60	102½	105	102½
Massey-Harris	4½	'54	97½	100½	97½
McColl-Fron.	4½	'49	98	100½	98
McCormicks	4½	'52	97½	100½	97½
Do.	4½	'53	104	106	104
Mercury Mills	5	'59	95	98	95
Mersey Paper	5	'57	92	95	92
†Do.	6	'49	92	95	92
•M. & O. Paper	5	'60	94½	97½	94½
‡Mtrl. Drydocks.	6	'48	75	80	75
Montreal Apts.	4	'54	84	87	83½
Nat. Grocers	4	'47	48	51	48½
Moirs Ltd.	6	'53	101½	..	101½

Corporation Bonds (Cont'd)

	Int. Rate %	Due	Bid Sept. 22	Asked	Bid Sept. 15
N. S. Stl. Coal	3½	'63	81½	84½	81½
Price Bros.	5	'57	91½	94	91½
Do.	4	'57	68	72	68
•Prov. Paper	5½	'47	104½	107½	104½
Reliance Grain.	4½	'52	98½	101	98½
†Restigouche Co.	6	'48	102	104½	102
Rolland Paper	4½	'51	101½	103½	101½
Ruddy, E. L.	6½	'48	83	86	83
Silv. Dairies	6	'66	93	96	93
Simpsons, Ltd.	4½	'51	101	102	100
Smith, Howard.	4½	'51	102½	105	102½
Stand. Lime	6	'44	98½	..	98
Sterling Coal	6	'45	98	101	98½
Stop Shop	6	'47	64½	67½	64½
United Amuse.	3	'56	100	102½	100
United Corp.	5	'33	94	97	94½
•United Gas	5	'48	104	107	104
United Gr. Grs.	5½	'48	100½	103	100½
†Western Grain	6	'49	61	64	60½

•Payable in Can. or U. S.

†Payable in Can., U. S. or U. K.

*Payable in U. S.

♦Payable in Canada only.

‡Traded without accrued interest.

▲Payable in Can. or U. K.

Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & McDonnell, Toronto)

Bid and asked as at Sept. 22, 1942, and change in bids from previous week.

Miscellaneous Stocks:	Bid	Ask.	Chge.
Atlas Steels 7% pref.	106	107½	..
Brantford Roofing, c.	2½	3½	..
•Can. Gen. Rubber, pfd.	..	22	..
Can. Mach., new com.	8	10	—½
C.P.R., 4% p. (£ par)	2	..	+½
Cawthra Apts., pfd.	2½	3½	..
Century Finance, com.	..	26	..
Claude Neon, 7% pfd.	1	1½	..
Collingwood Term., pf.	1½	..	..
Do., com.	1	..	..
Comm. Life, 10% pd.	6½	7½	+½
†Copeland Flour units	15	16½	..
Dairy Corp., pfd.	11	..	+1
Do., com.	.75	1.25	..
Dom. Alloy Steel, pfd.	.05	.15	..
Dom. Life, 70% pd.	175	205	—½
Dover Industries	6½	7½	..
Dubuisson Gold	.10	.11	..
Eastern Steel, 5% pfd.	20	21½	—½
†Ft. Wm. Hotel, units	..	45	..
Hart Battery, com.	4.10	4½	+.10c
London & West. Trusts	30½	33	..
Mont. Deb. Corp., pfd.	2	..	..
Murphy Paint, com.	7½	9	—½
Do., 5½% pref.	90	92	—1
Nat. Hosiery, com.	.90	1.10	..
Do., pfd.	1.00	..	..
†N. Amer. Elev., 1st pfd.	87	..	—½
•Do., 2nd pfd.	27	..	—½
Do., com.	..	1	..
P. L. Robertson, old c.	302	..	+1
St. John Dry D., 5½% p.	96½	100	—½
Supertest Pete., 6% pfd.	26½	27½	+½
Tip Top Tailors Inc., un.	9	11	+½
Traders Finance, rts.	6½	8	..
Viceroy Mfg., 6% pfd.	21½	23½	..
Waterloo Mfg., new c.	.80	1.15	—.05
West. Can. Hydro, pfd.	11½	12½	..
Windsor Hotel, com.	2½	3	..

• Issue carries arrears.

† Currently paying on arrears.

Municipal Bonds

Sept. 22, 1942

	%	Due	Bid	Ask.	Yld. %
†Halifax	5	1961	115.00	117.00	3.74
Hamilton	5	1950	111.00	114.00	2.95
Montreal	5	1945	95.00	98.00	*
Ottawa	4½	1945	104.00	105.50	2.42
†Quebec	5	1958	109.00	112.00	4.02
Saint John	5	1950	105.50	108.50	3.79
†Toronto	4½	1955	116.50	118.50	2.83
†Vancouver	5	1950	103.00	106.00	4.62
Winnipeg	5	1944	100.00	103.00	2.94

†Payable Can. & N.Y. *Flat.

Investment Trusts

	Bid	Asked
Affiliated Funds	1.84	2.01
Can. Int. Trust	3.50	4.25
Can. Invest. Fund	2.95	3.25
Can. Investors	4.25	5.00
Corp. Investors	4.75	5.25
Trans-Canada	8.40	9.25

Annual Meetings

Company	Place
29—Kerr Lake Mines	New York
29—Paymaster Consol.	S. Porcupine
30—McColl-Front. Oil*	Montreal
14—South Amer. Gold	New York
15—McMarmac R. L. Gold	Toronto
20—Calgary & Edm. Corp.	Winnipeg

*or preference and common sharehold-

Mining Dividends

	Rate	Sept. 21	Yield %
-Huronian	20c	2.00	..
Interests	†4c	.25	..
or Gold	16c	1.11	14.4
nne	†1c	.03½	..
tie Gold	10c	.56	..
ens River	9c	.60	..
orne	80c+40c	6.05	*19.8
lan Porc.	12c	.35	..
le Ankerite	▲30c	1.15	..
le Gold	$3	6.75	..
Malartic	8c	.38	..
hee Gold	15c	.85	..
al Patricia	13c	.68	..
carville	▲15c	.51	..
ur Willans	6c	.54	11.1
agas	10c	.75	..
rum	‡10c	.56½	..
Smelters	$1+$1.50	34.00	*7.3
ite	6c	.52	..
e Mines	$1.60	15.00	10.6
Malartic	‡5c	1.05	..
ur Gold	▲4c	.20	..
le Mines	2c	.08	..
Belt	4c	.12	..
dview	2c	.10½	..
Wihksne	†.00½c	.01¾	..
ar	40c	1.70	23.5
Rock	3c	.35	..
Mascot	8c	.20	..
ger	65c	7.35	8.8
y Gold	2c	.14	..
on Bay	$2	22.25	8.9
Nickel, com.	$2	30.50	6.6
d Mountain	8c	.85	..
n	▲4c	.10	..
-Addison	‡27c	3.60	..
Lake	▲5c	.50	..
kland Lake	6c	.42	..
aque Gold	‡30+25c	3.40	..
e Shore	80c	8.00	10
ch	8c	.48¼	16.5
le Long Lac	‡10c	.73	..
cassa	32c	2.02	15.8
den R. Lake	3c	.39	..
rtic Gold	▲10c	1.25	..
Gillivray Coal	1c	.10¼	..
Kenzie Red L.	12c	.54	22.2
eria	8c	.27	..
ntyre-Porc.	$2.22+$1.11	40.37	*8.3
Leod-Cockshutt	10c	1.09	..
	2½c	.30	..
sing	15c	.90	..
anda	$4	43.00	9.3
th Empire	‡10c	1.00	..
ien Gold	3c	.50	..
nour Porc.	8c	.44	..
ie Cons.	‡25c	2.10	..
ymaster Cons.	2c	.14¾	..
d Oreille	▲6c	.90	..
en Gold	16c	.67	23.9
eer, B. C.	‡33c	1.15	..
kie Creek	30c	1.45	20.6
er Develop.	25c	5.00	..
mier	7½c	.38	19.7
ton E. Dome	20c	1.48	13.5
ateer Mines	12c+1c	.24½	..
bec Gold	▲2c	.20	..
o Gold	20c	.06	..
Antonio	14c+6c	1.46	*13.7
ep Creek	16c+4c	.73	*27.4
ritt Gordon	10c	.58	..
ma Mines	60c	4.25	..
ak Premier	16c	.60	..
coe	‡5c	.32½	..
geon River	2c	.10¾	..
bury Basin	2½c	1.25	..
livan Cons.	‡6c	.54	..
f Inlet	1c	.06	..
anite Gold	20c	1.30	15.3
k-Hughes	40c	1.48	..
burn	12c+2c	.50	*28
per Canada	‡5½	.66	..
tures	20c	3.50	..
e Amulet	40c	3.70	..
digo	3c	.16	..
ght Harg.	40c	2.12	18.8

▲Paid in 1941. *Yield including bonus. †Initial. ‡Paid in 1942 to date.

Dividends Declared

	This payment	Date payable	Date of record
ew Surpass	$1.75	Oct. 1	Sept. 15
a. W. Pres., p.	$1.75	Oct. 1	Sept. 30
bestos Corp.	20c	Sept. 30	Sept. 1
Do., extra	10c	Sept. 30	Sept. 1
soc. Brew.	25c	Sept. 30	Sept. 10
Do., pref.	$1.75	Oct. 1	Sept. 10
ner. Cyan. A, B	15c	Oct. 1	Sept. 12
Do., pref.	†12½c	Oct. 1	Sept. 12
C. Tele., 1st pf.	$1.50	Oct. 1	Sept. 16
Do., 2nd pref.	$1.50	Nov. 1	Oct. 17
ant. Cordage, pf.	22½c	Oct. 15	Sept. 20
uilding Prod.	17½c	Oct. 1	Sept. 15
C. Power A	▲50c	Oct. 15	Sept. 30
ll Telephone	$2	Oct. 15	Sept. 23
C. El. Pr. & G., pf.	$1.50	Oct. 1	Sept. 19
lding Cort.	$1	Oct. 1	Sept. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
k. of N. Scotia	$3	Oct. 1	Sept. 15
ltmore Hats	15c	Oct. 15	Oct. 3
alorne Mines	20+10c	Oct. 15	Sept. 30
azilian Tr., pfd.	$1.50	Oct. 1	Sept. 15
it. Amer. Oil	25c	Oct. 1	Sept. 10
ockville Trust	62½c	Oct. 1	Sept. 20
rlington Steel	15c	Oct. 1	Sept. 19
lgary & Edm.	▲5c	Oct. 15	Sept. 12
nadian Car pfd.	43c	Oct. 10	Sept. 21
n. Malartic G.	2c	Oct. 6	Sept. 15
riboo Gold	▲3c	Oct. 1	Sept. 4
own. Trust	$1	Sept. 30	Sept. 23
n. Canners	12½c	Oct. 1	Sept. 15
Do., 1st pref.	25+5c	Oct. 1	Sept. 15
Do., 2nd pref.	15+5c	Oct. 1	Sept. 15
n. Gen. Elec.	$2	Oct. 1	Sept. 15
n. Tube & Stl. p.	$1.75	Oct. 15	Oct. 8
nada Bread, pfd.	$1.50	Oct. 1	Sept. 15
Do., B pref.	62½c	Oct. 1	Sept. 15
nada Life	$5	Oct. 1	Sept. 30
n. Converters	50c	Oct. 31	Sept. 30
n. Fairbanks, pf.	$1.50	Oct. 15	Sept. 30
n. Cottons	$1	Oct. 1	Sept. 5
Do., pref.	$1.50	Oct. 1	Sept. 5
n. Packers	$1	Oct. 1	Sept. 15
n. Perm. Mtge.	$2	Oct. 1	Sept. 15
ntral Can. Loan	$2	Oct. 1	Sept. 19
nt. Pat. Mines	3c	Sept. 30	Sept. 15
nfederation Life	$1.50	Sept. 30	Sept. 25
Do.	$1.50	Dec. 31	Dec. 25
n. For. Invest., pf.	▲$2	Oct. 1	Aug. 15
n. Wire Box	37½c	Oct. 1	Sept. 15
Do., arrears	12½c	Oct. 1	Sept. 15
n. Gen. Invest.	▲12½c	Oct. 15	Sept. 30
artered Trust	$1	Oct. 1	Sept. 15
nsumers' Gas	$2	Oct. 1	Sept. 15
n. Nor. Power	▲15c	Oct. 26	Sept. 19
Do., pref.	▲$1.75	Oct. 15	Sept. 19
n. Celanese	25+25c	Sept. 30	Sept. 18
Do., pref.	$1.75	Sept. 30	Sept. 18
n. Bk. of Comm.	$1.50	Nov. 2	Sept. 30
n. Alcohols	5c	Oct. 15	Sept. 30
	10c	Oct. 15	Sept. 30
p.	85c	Oct. 1	Sept. 15
	$2	Oct. 1	Sept. 19
s	$1.50	Oct. 31	Sept. 30
	$1.75	Oct. 15	Sept. 30
	†$1.25	Oct. 1	Aug. 28
	15c	Oct. 1	Sept. 22
	30c	Sept. 30	Sept. 15
	$1.25	Sept. 30	Sept. 15
ouse	▲50c	Oct. 1	Sept. 16
ner.	†50c	Sept. 30	Sept. 18
	†$1.25	Oct. 1	Sept. 18
	†$1.75	Oct. 1	Sept. 18
	†$1.75	Oct. 1	Sept. 18
	$2	Nov. 2	Oct. 15
	25c	Oct. 1	Sept. 19
	▲$1.25	Oct. 1	Sept. 15
	▲$1.75	Oct. 1	Sept. 15
A	25c	Sept. 30	Sept. 15
s	▲10c	Nov. 20	Nov. 5
	$1.25	Oct. 1	Sept. 5
	$1.75	Oct. 15	Sept. 15
pf.	$1.37½	Nov. 2	Oct. 13
	▲40c	Oct. 20	Sept. 30
p.	†$1.25	Nov. 2	Oct. 15
t.	62½c	Oct. 1	Sept. 21
	$2	Oct. 1	Sept. 20
	$1.50	Oct. 1	Sept. 20
pfd.	17½c	Oct. 1	Sept. 21
s	25c	Sept. 26	Sept. 19
	†37½c	Oct. 1	Sept. 15
	35c	Oct. 17	Sept. 30
A B p.	25c	Oct. 1	Sep. 19
t p.	75c	Sept. 30	Sept. 16
	75c	Sept. 30	Sept. 16
	15c	Sep. 30	Sep. 1
	$1.25	Oct. 1	Sep. 1
f.	$1.37	Oct. 1	Sep. 1
	15c	Oct. 1	Sept. 15
	62c	Oct. 1	Sept. 15
	62½c	Oct. 1	Sept. 15
	$3.75	Oct. 1	Sept. 19
p.	†$3	Oct. 2	Sept. 21
r, p.	$1.75	Oct. 15	Sept. 30
	2c	Oct. 31	Oct. 15
	2c	Sept. 15	Aug. 31
	5c	Oct. 7	Sept. 23
ge.	1%	Oct. 1	Sept. 15
	10c	Oct. 1	Sept. 15
	50c	Oct. 1	Sept. 15
	25c	Oct. 1	Sep. 15
	50c	Oct. 1	Sept. 15
	†75c	Sept. 30	Sept. 18
., p.	$1.25	Sep. 30	Sep. 15
hoe	50c	Oct. 7	Sept. 15
	†50c	Sept. 30	Aug. 31
	†$1.75	Nov. 2	Oct. 3
	10c	Sept. 30	Sept. 11
	3%	Sept. 30	Sept. 11
d.	†$1.25	Sept. 29	Sept. 19
d.	$1.75	Oct. 1	Sept. 15
	$2	Oct. 1	Sept. 15
	$2	Nov. 2	Sept. 30
f.	$1.75	Nov. 2	Oct. 3
pf.	†$1.25	Oct. 15	Oct. 2
ef.	$1.25	Sept. 29	Sept. 19
pfd.	75c	Oct. 15	Sept. 30
	37½c	Oct. 15	Oct. 1
	37½c	Oct. 15	Oct. 1
	17c	Oct. 1	Sept. 22
	$1.75	Oct. 1	Sept. 22
G.	5c	Oct. 28	Oct. 9
	2c	Nov. 4	Oct. 3
	†2c	Sept. 30	Sept. 19
	▲50c	Dec. 11	Dec. 2
	10c	Oct. 1	Sept. 10
	15c	Oct. 1	Sept. 10
	$1	Oct. 1	Sept. 15
	17½c	Oct. 1	Sept. 15
pf.	30c	Dec. 15	Dec. 1

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$10.50	$10.61	$8.94
Hogs	15.50	16.00	14.65
Copper, lb.	*.12	.12	.12
Cotton, lb.	.1964	.1968	.1798
Sugar, raw, lb.	*.0374	.0374	.0360
Wheat, Man. (bu.)	.89¾	.88⅞	.72⅛
Coffee, lb.	*.09⅜	.09⅜	.09⅜
Hides	*.15½	.15½	.15
Weekly Indices			
U. S. Labor	99.2	99.1	91.6
Wood, Gundy	77.7	77.9	74.5
Dow Jones (fut.)	85.57	85.33	81.90
Fishers	107.5	107.4	98.5
Monthly Indices			
Canada (D.B.S.):			
Retail (Aug.)	117.7	117.9	113.7
W'sale (July)	96.1	95.8	91.3
U. S. (July)	98.7	98.6	88.8
Gt. Brit. (Aug.)	158.6	159.8	153.2

Note:—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic. New York. No. 7 coffee, Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis.

*Ceiling prices fixed by the office of Price Administration.

Dividends Declared (Cont'd)

Mod. Containers	30c	Oct. 1	Sept. 20
Do., pref.	$1.37½	Oct. 1	Sept. 20
Moneta Porc. M.	2c	Oct. 15	Sept. 30
M. Loew's pfd.	$1.75	Sept. 30	Sept. 15
Mtl. C. & D. Bank	$3	Oct. 1	Sept. 15
Mtl. L. H. & Pr.	37c	Oct. 31	Sept. 30
Moore Corp.	55½c	Oct. 1	Sept. 10
Do., pref. A, B	†$1.75	Oct. 1	Sept. 10
McColl Fron. p.	$1.50	Oct. 15	Sept. 30
Murphy Paint	20c	Oct. 1	Sept. 19
Do., pref.	$1.37½	Oct. 1	Sept. 19
Niag. W. Weav.	25c	Sept. 30	Sept. 17
National Trust	$2	Oct. 1	Sept. 21
Nat. Grocers, pref.	37c	Oct. 1	Sept. 15
Nor. Ont. Power	12c	Oct. 26	Sept. 30
Do., pref.	$1.50	Oct. 26	Sept. 30
North Star Oil, p.	8¾c	Oct. 1	Sep. 1
Nat. Biscuit c.	†30c	Oct. 15	Sept. 11
Nat. Breweries	50c	Oct. 1	Sept. 10
Do., pre.	44c	Oct. 1	Sept. 10
Nat. Steel Car	50c	Oct. 15	Sept. 30
New Eng. Pwr., pf.	†$1	Oct. 1	Sept. 19
Do., 2nd pref.	†33½c	Oct. 1	Sept. 19
N.S.L. & Pr ord.	$1.50	Oct. 1	Sept. 15
Ont. Loan & Deb.	$1.25	Oct. 1	Sept. 15
Ottawa Elec Rly.	50c	Oct. 1	Sept. 10
Ottawa L. & Pr.	15c	Oct. 1	Aug. 26
Do., pref.	$1.25	Oct. 1	Aug. 26
Ogilvie Flour c.	25c	Oct. 1	Sept. 17
Pamour Porc.	8c	Oct. 15	Oct. 1
Petrol Oil & Gas	2c	Oct. 1	Sept. 15
Para Pictures pf.	†$1.50	Oct. 1	Sept. 17
Do., com.	†25c	Oct. 1	Sept. 15
Paymaster Cons.	▲1c	Jan. 15 '43	Dec. 31
Penmans	75c	Nov. 16	Nov. 5
Do., pref.	$1.50	Nov. 2	Oct. 21
Powell Rouyn G.	2c	Oct. 24	Oct. 17
Preston E. Dome	5c	Oct. 15	Sept. 24
Price Bros., pref.	$1.37½	Oct. 1	Sept. 19
Page Hersey	$1.25	Oct. 1	Sep. 15
Pioneer Gold	5c	Oct. 1	Aug. 31
Power Corp. pfd.	▲$1.50	Oct. 15	Sept. 19
Do., 2nd pref.	▲75c	Oct. 15	Sept. 19
Porto Rico Pwr. p.	$1.75	Oct. 1	Sept. 15
Premier Gold	1½c	Oct. 15	Sept. 15
Quebec Power	25c	Nov. 25	Oct. 26
R. Silk Mills A	50c	Oct. 1	Sept. 15
Remington Rand, c.	†20c	Oct. 1	Sept. 10
Do., pfd.	†$1.12½	Oct. 1	Sept. 10
Russell Indust.	20c	Sep. 30	Sep. 15
Do., pref.	$1.75	Sep. 30	Sep. 15
Sachigo R. Ex	‡$5.46	Sept. 28	Sept. 21
Sher.-Williams	15c	Nov. 2	Oct. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Silverwood's	20c	Oct. 1	Sept. 19
Do., pref.	20c	Oct. 1	Sept. 19
Stand. Fuel, p.	$1	Oct. 1	Sep. 15
Sheep Creek	4+1c	Oct. 15	Sept. 30
Stedman Bros.	15+30c	Oct. 1	Sept. 19
Do., pref.	75c	Oct. 1	Sept. 19
Sylvanite Gold	5c	Sept. 30	Aug. 14
Shawinigan W.	22c	Nov. 25	Oct. 26
Sangamo	25c	Sept. 30	Sept. 28
St. Law. Corp., pfd.	▲25c	Oct. 15	Sept. 30
St. Law. Paper, pf.	▲75c	Oct. 15	Sept. 30
Howard Smith, p.	$1.50	Oct. 15	Sept. 30
Sun Life	$3.25	Oct. 1	Sept. 15
So. Can. Power pf.	$1.50	Oct. 15	Sept. 19
Simon & Sons	15c	Sept. 30	Sept. 18
Do., pref.	$1.75	Sept. 30	Sept. 16
Stand. Radio, A, B	10c	Oct. 10	Sept. 30
Simpsons, pref.	$1.62½	Nov. 2	Oct. 17
Surf Inlet Cons.	1c	Oct. 15	Sept. 25
Tamblyn G.	20c	Oct. 1	Sept. 15
Do., pref.	62½c	Oct. 1	Sept. 15
Teck Hughes	10c	Oct. 1	Sept. 10
Tor. Gen. Trusts	$1	Oct. 1	Sept. 12
Tip Top Tailors	7½c	Oct. 1	Sept. 19
Do., pref.	$1.75	Oct. 1	Sept. 19
Toronto Mortgage	$1.25	Oct. 1	Sept. 15
Tuckett Tob., pfd.	$1.75	Oct. 15	Sept. 30
United Fuel, pf. A	75c	Oct. 1	Sept. 19
Viau, pref.	$1.25	Oct. 1	Sept. 19
Weston, Geo., pref.	$1.25	Nov. 2	Oct. 15
Wabasso Cotton	$1	Oct. 1	Sept. 19
West. Grocers	75c	Oct. 15	Sept. 20
Do., pref.	$1.75	Oct. 15	Sept. 20
W. Koot. Pwr., pf.	$1.75	Oct. 1	Sept. 22
Weston, George, c.	20c	Oct. 1	Sep. 12
Wright-Hargreaves	10c	Oct. 1	Aug. 26
Wilsil	25c	Oct. 1	Sept. 15
Do.	25c	Jan. 2	Dec. 15
Willson Stat. pf.	$1.25	Oct. 15	Sept. 30

†Payable in U. S. funds.
‡80c profit distribution, and approx $4.56 capital distribution.
▲Subject to approval of Foreign Exchange Control Board.

A New Financial Post Feature —

The Business Of Farming

By GORDON L. SMITH

Beef Cattle Too High?

Chairman Donald Gordon of the Wartime Prices and Trade Board intimates this week that prices of beef cattle are too high and it may be necessary to fix ceilings. If he follows these words with definite action then a first class showdown is said to be almost certain.

A great number of Canadian cattlemen are convinced that domestic cattle prices are still too low and they are determined to hold their animals for better returns or export when they can to the United States. The latter market in recent months has offered prices substantially above the domestic level.

Producers argue that cattle prices were greatly depressed in the period just before the war and while there has been some improvement since they are still below normal. Their solution of the present beef crisis would be either a piercing of the retail beef ceiling to a point where Canadian domestic cattle prices would be on a par with those of cattle shipped to the United States, or else a subsidy to make up the difference. Coupled with this, to ensure a long range supply, many of them would have the government guarantee returns for at least one year and better two. They point out that it takes up to three years to raise beef cattle and the average producer at present is scared to tie up too much money in the business because he has no hedge against serious market drops before his cattle are ready for the packer.

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Farmers and Price Ceiling

Donald Gordon could count on a lot of general support for his price ceiling programme in urban centres where the most people are convinced that the present policy is really protecting them against a perilous rise in the cost of living. But in rural Canada it is very doubtful if the price ceiling is nearly as popular. A showdown in beef cattle, therefore may result in some surprises.

In contrast to the average city man, who works for wages or a salary, the farmer is a seller as well as buyer. To him the freezing of prices last fall largely meant the end of any hope for higher returns from the products he has to sell. And this was by no means completely offset by a freezing of prices on commodities he had to buy. In many instances the goods and services he wanted—labor, farm machinery, hardware, lumber, fencing—were scarce and some of them are now becoming almost unobtainable.

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Huge Food Export

Great Britain has largely been depending upon Canada for its import requirements of bacon and flour particularly but this by no means fulfills the total requirements of the Mother country. American farmers are also contributing vast supplies of food not only to Great Britain but to Russia and some of our other allies as well.

The U. S. Department of Agriculture for July, for instance, reports that some 600 million pounds of foodstuffs were delivered to U. S. collecting points for export largely to Britain and Russia.

Largest single item was grain and other cereal products, second was meat and fish, third was dairy products and eggs. In addition there were heavy exports of fruits, fruit juices, cotton and tobacco. This total of 600 million pounds for July, is about a normal month's export from the U. S. It is equivalent in weight to the total export of Canadian bacon to Great Britain for the year closing next month.

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Farm Raw Material

Overshaded by the record wheat figures in the first official Dominion crop report was an estimate of 660 millions bushels of oats and 273 millions bushels of barley for Canada this year. Like the wheat, this tremendous production is largely the result of yields almost twice those of a year ago although acreage of both oats and barley in contrast to wheat showed fair gains this year.

The great bulk of these grains will be fed on Canadian farms to livestock. It is the raw material used to produce meat and dairy products. The total crop would be sufficient to raise 25 million hogs to marketing stage or the equivalent of four billion pounds of bacon. For the year starting next month Canada hopes to export 675 million pounds of bacon to Britain.

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Farm Parity Prices

Much has been heard recently of farm parity prices in the United States. In some quarters a similar yard stick is advocated for Canada. Briefly parity means a price for farmers products which will give them the same exchange value for goods needed by farmers, as prevailed during a specified basic period.

In the United States the usual base considered is the five year period preceding the outbreak of the first Great War in 1914. During that time, it took say, so many bushels of oats, or so many standard finished hogs, to purchase a mower or a wagon. Parity today would give these goods similar exchange value.

For some time there has been a more or less official understanding that the government would not step in and freeze farm prices until they reached 110% parity.

As with any other exchange based on definite goods, changes, styles, improvements and substitutes have altered the picture considerably since 1914. Compared with 25 years ago the farmer today may grow different crops of different value. Examples are soy beans, tobacco, peanuts, and citrus fruits. Acreage of these have expanded tremendously since 1914.

The modern farmer also buys different goods; tractors and combines; combination cultivators, automobiles, radios, etc. These were almost unknown in 1914. It was not difficult to balance so many bushels of wheat against the cost of a binder in 1914 but will that offer any basis for comparison with say a modern combine which replaces half a dozen stookers, the same number of threshermen, and has cut the cost of harvesting by perhaps 75%?

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Amazing Change in Britain

One reason for the drastic change in the food export picture between this war and the last has been the amazing agricultural development in Great Britain. George Paterson, special Canadian trade commissioner in the Old Country reports that acreage under cultivation in the United Kingdom increased from approximately 7.8 millions pre-war to 11.3 millions in 1941. For the current year it is now generally agreed that this is about all the expansion possible. Results have been enormous increase in the production of wheat and other cereals. Were it not for her own huge armies as well as those of her allies quartered in Britain, the Mother Country would now probably be able to cut normal wheat imports by 50%.

Offsetting this increase in cereal production has been a sharp decline in livestock population. In contrast to pre-war, most of the grain crops being grown in Britain today are for direct human consumption, not for livestock feeding. This explains the incessant call for more and more bacon and dairy products from Canada.

The reason for this increase of crops for direct consumption and liquidation of livestock is one of simple economics. Generally speaking it takes four to five pounds of grain to produce a pound of gain on hogs or beef cattle and this pound is not by any means all edible meat. Now grain eaten direct by the human being in the form of bread, porridge etc., will go much farther than that and so people under siege naturally want to get the greatest possible use out of their home grown food even if it means a change in eating habits, and a less interesting diet.

Union Gas Co. is further affected by instructions issued by the Power Controller calling for the immediate change over to coal of all convertible furnaces and other house heating equipment in some 6,000 homes and other buildings now heated by gas. The new order affects areas served by the company and its subsidiaries, City Gas Co. of London and Windsor Gas Co., and is similar to the order made effective June 15, 1942, in areas served by subsidiaries of United Fuel Investments Ltd.

Power Controller S. J. Symington states that since June 15, 1942, it has been found that the flow from the natural gas fields has been diminishing even more than had been feared. A complete study by an eminent engineer shows that not only will gas not be available for non-war purposes, but any attempt to make it available, as a temporary expedient probably would result in complete exhaustion of the fields.

Most Russ Wheat Coming From U.S.

By STAFF WRITER

OTTAWA.—Limiting of Canada's wheat and flour shipments to nine million bushels in the newly signed pact with Russia is taken to mean that the bulk of Russian needs will probably be supplied by the United States via lease-lend. A considerable part of the nine million bushels has already been shipped, it is believed, since the pact is retroactive and covers shipments previously made by Canada through the U. K. Food Ministry.

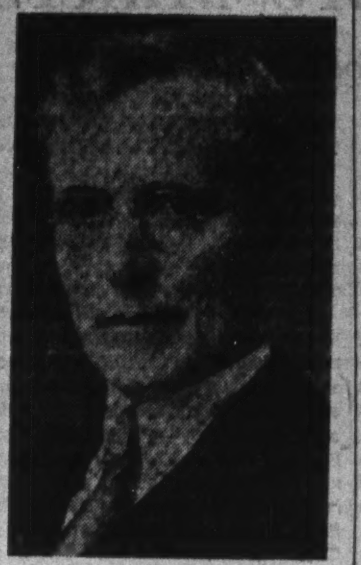
Originally all shipments of Canadian wheat and flour to Russia were channelled through the U. K., but difficulties in regard to financial and other arrangements made it desirable that Canada handle the arrangements direct.

Three-year Credit

The $10 millions credit to Russia for purchase of Canadian wheat and flour is on a delivered basis f.o.b. North American seaboard. The credit is for three years and is repayable at the end of that period by four equal semi-annual installments extending over the following two years.

A supplementary agreement has also been concluded to facilitate the movement of wheat to Russia by withdrawing the supplies required from United Kingdom wheat bought in Canada and now conveniently at seaboard ready for shipment. When wheat for Russia is drawn from these stocks, Canada will credit the U. K. for amounts withdrawn.

New Winnipeg Grain Exchange Heads



K. A. POWELL, right, has been elected president of the Winnipeg Grain Exchange, succeeding Stewart A. Searle. Mr. Powell is president of Hallet & Carey Ltd. and a director of Goderich Elevator. C. E. GRAHAM, above, the new vice-president, is secretary-treasurer of Melady Sellers & Co. ALEX. CHRISTIE, upper right, also elected vice-president, is manager of Canadian Elevators.

Weather Delays Threshing

Week of Sunshine Would Fill Country Elevators

From Our Own Correspondent

WINNIPEG. — Intermittently wet weather over western Canada has hampered harvesting operations. Nevertheless, there has been sufficient drying weather between showers to enable a good deal of threshing, as is indicated by wheat receipts last week at country elevators of 10 million bushels, bringing total receipts for the new crop season to 18 million bushels.

A large additional quantity of wheat has been threshed and put into farm storage. Quota restrictions prevent most farmers from delivering more than five bushels of wheat per acre. In addition, at some places, local elevator congestion has interfered even with deliveries to that extent.

Comparatively few farmers have been able to get all their threshing completed, and some have not been able to get started.

More than seven million bushels of barley have been marketed mainly in Manitoba, where operations are more advanced than in the other provinces.

Country Elevators

Western country elevators still have a considerable amount of empty space, but a week of fine weather would result in a great part of this being filled up. There will be difficulties in making full use of all the space, because wet weather and frost will produce a large number of different grades. Annexes at country elevators have mainly been assigned to storing Nos. 1 and 2 northern wheat, and cannot be used to advantage for lower grades.

U. S. Shipments

From the market standpoint an interesting point is that a flow of both oats and barley has started to the United States, and so far the demand has been sufficient to keep prices above the levels guaranteed by the Dominion government. The Wheat Board consequently has not been called upon as yet to implement the guarantees, although it has announced that it will keep firm bids in the market for barley and oats on the basis of 60 cents and 45 cents respectively per bushel.

Vessel accommodation for grain shipments down the lakes is limited, and no great relief for terminal elevators at the lake head is to be expected until cold weather brings an end to the ore shipping season. After that it is expected a large number of ore carriers will get in at least one grain trip and possibly more.

Many Grades

A sidelight on the possible number of western grain grades is furnished by a price list published by the Canadian Wheat Board, specifying prices for almost 500 grades of wheat. Most important of these are the standard straight grades, from No. 1 hard and No. 1 northern down to No. 6 and feed wheat.

There are also series of grades for durum, garnet, white spring and Alberta red winter wheat. Every straight grade may be modified in different ways by too much moisture or by damage from various causes.

How much grain grades may suffer from unfavorable harvesting and threshing weather is yet uncertain, because much of the grain damaged by frost or lodged by wet weather has yet to be threshed, and the weather still to be experienced will be highly important to the final result.

Wheat Prices

Winnipeg Grain Futures

Week to Sept. 21, 1942

Crop year from Aug. 1, 1942 High	Low		High for week	Low for week	Close Sept. 21
		Wheat			
.90	.90	Oct.	.90	.90	.90
		Oats			
.49½	.45½	Oct.	.47½	.46½	.46¾
.46⅞	.45	Dec.	.46⅛	.45⅝	.45⅞
		Barley			
.61⅝	.60¼	Oct.	.61½	.60½	.60¾
.61½	.60¼	Dec.	.60⅞	.59½	.60⅜
		Rye			
.62¼	.52¾	Oct.	.62¼	.59⅛	.59⅞
.63¼	.53⅜	Dec.	.63¼	.60	.60⅜
.64½	.62⅝	May	.64½	.62⅜	.62⅝

Cash Quotations

Wheat	For Week Sept. 21 High	Low	Prev. Week High	Low
1 Nor.	.89¾	.89⅝	.89⅝	.89⅝
2 Nor.	.86¾	.85⅝	.86½	.86⅝
3 Nor.	.84½	.84⅛	.84⅛	.84
4 Nor.	.82⅝	.82¼	.82	.81¾
5 Wheat	.80½	.79	.79	.79
6 Wheat	.77½	.76	.76	.75
Feed	.75	.73	.73	.73
Oats				
2 C. W.	.48	.47¾	.48¾	.47
3 C. W.	.46⅝	.46	.46⅝	.45¼
Barley:				
1 Feed	.56¾	.56	.57⅝	.56¼
2 Feed	.56¾	.55⅝	.56¼	.55⅝
Rye:				
2 C. W.	.60⅛	.58⅛	.59⅝	.58

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DIVIDEND NOTICES

The Dominion Bank

Dividend No. 240

Notice is hereby given that a Dividend of two per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 31st October, 1942, making a total distribution of nine and one-half per cent for the fiscal year. The Dividend will be payable at the Head Office of the Bank and its Branches on and after Monday, the second day of November, 1942, to shareholders of record of the 15th October, 1942.

By Order of the Board.
ROBERT RAE,
General Manager.
Toronto, 10th September, 1942.

DIVIDEND

CHARTERED TRUST AND EXECUTOR COMPANY

NOTICE is hereby given that a dividend of 1% has been declared on the paid-up Capital Stock of Chartered Trust and Executor Company for the quarter ending September 30th, payable October 1st, 1942, to shareholders of record at the close of business September 15th, 1942.

By Order of the Board,
E. W. McNEILL,
Secretary.
Dated at Toronto,
September 10th, 1942.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a dividend of $1.25 per share, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after

1st October, 1942

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board,
WALTER GILLESPIE,
Manager.
3rd September, 1942.

Proprietary Mines Limited

DIVIDEND NO. 7

NOTICE is hereby given that a Dividend of Five cents per share has been declared on the issued capital stock of the Company, payable in Canadian Funds on October 29th, 1942, to shareholders of record at the close of business on October 15th, 1942.

By Order of the Board,
J. INGRAM,
Secretary-Treasurer.
Toronto, Ont., September 22, 1942.

NOTICE

Biltmore Hats Limited

Notice is hereby given that a dividend of Fifteen cents per share on the outstanding Common Shares of the Company will be payable on the 15th day of October, 1942, to shareholders of record the 3rd day of October, 1942, at 3 p.m.

By Order of the Board.
(Signed) WM. F. FRANKE,
Secretary-Treasurer.
Guelph, Ontario,
September 17, 1942.

DIVIDEND NOTICES

Quebec Power Company

NOTICE is hereby given that a dividend of twenty-five (25c) cents per share has been declared on the no par value common shares of the Company for the quarter ending September 30, payable November 25, to shareholders of record October 26, 1942.

By Order of the Board,
H. G. BUDDEN,
Secretary.
Montreal, September 21, 1942.

KERR-ADDISON GOLD MINES LIMITED

(No Personal Liability)

INTERIM DIVIDEND NO. 14

Notice is hereby given that an interim dividend of five cents per share has been declared on the issued capital stock of the company, payable in Canadian funds on October 28th, 1942, to shareholders of record at the close of business on October 9th, 1942.

By Order of the Board.
G. A. CAVIN,
Secretary-Treasurer.
Toronto, Ontario,
September 18th, 1942.

PAMOUR PORCUPINE MINES, LIMITED

DIVIDEND NOTICE

Notice is hereby given that an interim dividend of 8 cents per share, payable in Canadian Funds, has been declared by the Directors of PAMOUR PORCUPINE MINES, LIMITED, payable October 15th, 1942 to shareholders of record at the close of business October 1st, 1942.

By order of the Board.
J. R. BRADFIELD, Secretary.
Toronto, Ont., September 15th, 1942.

Consolidated Bakeries of Canada Limited

NOTICE IS HEREBY GIVEN that a dividend of fifteen cents (15c) per share on the outstanding shares in the capital stock of Consolidated Bakeries of Canada Limited has been declared payable on the 1st day of October, 1942, to shareholders of record at the close of business on the 22nd day of September, 1942.

By order of the Board.
H. O. NEALE,
Secretary.

City of Montreal

Registered Stock

NOTICE is hereby given that the semi-annual dividend on the City of Montreal Registered Stock will be paid on the 1st November, 1942. Transfer books will be closed from the 1st to the 31st October, 1942.

L. ROBERGE,
Director of Finance.
Office of Director of Finance, City Hall,
Montreal, 21st September, 1942.

DIVIDEND NOTICES

Penmans Limited

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of October, 1942.

On the Preferred Stock, one and one-half per cent (1½%), payable on the 2nd day of November to Shareholders of record of the 21st day of October, 1942.

On the Common Stock, seventy-five cents (75c) per share, payable on the 16th day of November to Shareholders of record of the 5th day of November, 1942.

By Order of the Board.
C. B. ROBINSON,
Secretary-Treasurer.
Montreal,
September 21, 1942.

SIMPSONS, LIMITED

Preference Dividend No. 47.

NOTICE is hereby given that a Dividend of One dollar and sixty-two and one-half cents ($1.62½) per share on the Outstanding Paid-up Six and one-half per cent (6½%) Cumulative Preference Shares of the Company has been declared payable November 2, 1942, to shareholders of record as at the close of business on October 17, 1942. The transfer books will not be closed.

By Order of the Board.
FRANK HAY,
Secretary.
Toronto, September 18, 1942.

Gold Belt Mining Company Limited

(Non-Personal Liability)

Notice of Interim Dividend No. 5

Notice is hereby given that Interim Dividend No. 5 of two cents per share has been declared on the paid-up Capital Stock of the Company, payable on the 31st day of October, 1942, to shareholders of record at the close of business on the 15th day of October, 1942. Persons holding certificates not registered in their name, commonly known as "street" certificates, should have them registered in their name by the Company's Transfer Agents, The London & Western Trusts Company Limited, at their office, 455 Howe Street, Vancouver, B.C., or at their office, 200 Bay Street, Toronto, Ontario, on or before 15th October next.

By Order of the Board.
JAMES ANDERSON,
Secretary.
Vancouver, B.C.,
September 15, 1942.

Kirkland Lake Gold Mining Company Limited

Dividend No. 16

A semi-annual dividend of two cents per share on the outstanding capital stock of the Company has been declared payable November 4th, 1942, to shareholders of record October 3rd, 1942.

Taxes imposed on shareholders' dividends will be deducted where applicable.

By Order of the Board,
H. F. CASSIDY,
Secretary-Treasurer.
Toronto, September 18th, 1942.

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 223

Notice is hereby given that a dividend of one and one-half per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st October, 1942, and that the same will be payable at the Bank and its Branches on and after Monday, 2nd November next, to shareholders of record at the close of business on the 30th September, 1942. The Transfer Books will not be closed.

By Order of the Board,
A. E. ARSCOTT,
General Manager.
Toronto, 15th September, 1942.

The Shawinigan Water and Power Company

NOTICE is hereby given that a dividend of twenty-two (22c) cents per share has been declared on the no par value common shares of the Company for the quarter ending September 30, payable November 25, to shareholders of record October 26, 1942.

By Order of the Board,
H. G. BUDDEN,
Secretary and Assistant Treasurer.
Montreal, September 16, 1942.

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 362

A regular dividend of 1% has been declared by the Directors on the Capital Stock of the Company, payable on the 7th day of October, 1942, to shareholders of record at the close of business on the 23rd day of September, 1942.

DATED the 16th day of September, 1942.
P. C. FINLAY,
Secretary.

ST. LAWRENCE CORPORATION LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that a quarterly dividend of twenty-five cents (25c) per share has been declared on the issued and outstanding shares of Class "A" 4% Cumulative Convertible Preferred Stock of the Company payable 15th October, 1942, to Shareholders of record at the close of business on the 30th September, 1942, subject to the approval of the Foreign Exchange Control Board.

By Order of the Board.
E. A. TUCKER,
Secretary.
820 Sun Life Building, Montreal,
September 16th, 1942.

ST. LAWRENCE PAPER MILLS COMPANY LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that a quarterly dividend of seventy-five cents (75c) per share has been declared on the issued and outstanding shares of Preferred Stock of the Company payable 15th October, 1942, to Shareholders of record at the close of business on the 30th September, 1942, subject to the approval of the Foreign Exchange Control Board.

By Order of the Board of Directors.
L. A. TUCKER,
Secretary.
820 Sun Life Building, Montreal, Que.,
16th September, 1942.

Base Metals Get More Miners

Shift of Men and Machines From Gold Mines on Way

Steps to remedy the existing labor shortage at base metal mines are definitely part of the labor programme laid out for coming months, the mining industry is learning. In line with plans laid down, it is expected gold mines will be called on to make some further reduction in their labor forces to help bridge the gap for their fellow base metal mines.

Further "sacrifices" of workers by the gold mines could be more in the nature of a permanent solution of the base metal mines' problems than those in the past, it is suggested, but there is no certainty on this point as yet. In the past, mine operators have felt employment of fewer men by the gold mines didn't necessarily mean more workers for base metal mines. Men were leaving base metal mines too and the whole industry was suffering. With the new policy under National Selective Service, however, the plan is to keep all miners employed as miners—preferably in base metal mines.

Base Metals Definitely Short

How far gold mines may expect to see their labor forces depleted remains to be seen. That base metal mines could well use considerable numbers of miners—and will want more—is common knowledge. The decisions of Consolidated Smelters, Hudson Bay and International Nickel Co. to use women on surface, wherever feasible, testifies to just how short the labor supply has been running at base metal mines. Production has suffered at several western mines and as far east as Sherritt Gordon. With International Nickel Co. working toward completion of a major expansion programme costing $35 millions, base metal mine labor requirements will be on a growing scale. Labor will tend to "stay put" now at base metal mines under selective service. There have been some deferments on call-ups for base metal miners and gold miners now called up will be given the alternative of joining the armed forces or going to base metal mines.

Gold Mining Essential

While labor of gold mines is thus being classed as definitely less essential than that of base metal mines, there is no hint that gold mining will be done away with as an industry. Gold mines have anticipated the labor shortage for some time and while many of the less prolific producers have been forced to close, it seems likely that the large producers will be able to continue though perhaps on a much reduced scale. There will probably be a greater emphasis on the part of the individual mine to let advance development go behind in the hope of catching up after the war.

There has been no great degree of compulsion as yet but with the setting up of National Selective Service the path has been laid for directly diverting men from gold mining to base metal mining rapidly. With a definite schedule of needs to fill base metal mine requirements, the gold mines may soon be asked to release some of their men, single men without heavy responsibilities.

Closing of 31 gold mines so far this year—as reviewed elsewhere— has already meant a substantial contribution in manpower to the requirements of war industry. The closing down too of all remaining developing gold enterprises has meant an additional contribution. The men from these operations, however, probably did not go into other mining operations in the majority of cases, it is now thought. With National Selective Service, further men released will be definitely channelled in that direction.

Machinepower as well as manpower may be channelled to aid the base metal mines maintain production at peak levels and to increase it wherever possible. With gold mines closing down, considerable numbers of mechanical muckers and face loaders are being released. These, it is argued, can well be used in the base metal mines to effect a substantial economy of manpower. In other cases, the gold mines might release certain equipment instead of men to assist the base metal mines.

It is a fact that gold mines have stressed use of mechanical equipment even more than other mines and the importance of large volume of equipment possessed by the gold mining industry isn't being ignored. Possibly the base metal mines have not felt that mechanical equipment is of great assistance due to gravity flows of ore, etc., but this is something to be ascertained. The fact that some base metal mines make a much greater use of mechanical equipment than others suggests some if not all the base metal mines might find it advantageous to use more mechanical equipment should it be made available.

The Week in Oils

From Our Own Correspondent

CALGARY. — Outstanding news from Turner Valley is the confirmation of the Madison limestone objective at Northwest Hudson Bay No. 8, most southerly test yet to reach the lime in this field. The Madison contact was made at a depth of 8,214 ft.

Northwest H. B. No. 8 was drilled on a site with a surface elevation of 4,136 ft. above sea level. Lime contact at 8,214 ft., therefore, results in a Madison elevation of 4,078 ft. below sea level, well above the level at which edge-water was encountered at south valley wells two to three miles to the north.

• • •

In "Open Country"

The well is located in the centre of the 80-acre site, about three-eighths of a mile south west of Northwest H.B. No. 6, current most southerly producer in the field, and is only quarter of a mile north of the Grewer No. 1 and Brown Oil Corp. No. 6 wells, which were suspended at 1,215 ft. and 4,511 ft. respectively more than two years ago because geological information available at the time indicated the wells might reach the Madison too deep to escape water. The results of drilling at Northwest H.B. No. 8 may result in resumption of drilling at these two tests.

• • •

New Brit.-Dom. Well

Location for British Dominion No. 5 well has been staked in L.S.D. 5 17-21-3w5, offsetting the big Atlas-B.D. No. 2 producer to the north and three-eighths of a mile northwest of the drilling Atlas-B.D. No. 3 well. Atlas-B.D. No. 2 is currently the most northerly producer in the field.

The new site, first to be staked in section 17 since British Dominion Oil & Development Corp. acquired full interest in the options on 560 acres from Home Oil, will be drilled on a 50-50 basis by British Dominion and Home Oil, each providing half the drill-costs and sharing equally in production. The well is to be started soon, using one of the two heavy duty rotary rigs purchased by the recently organized British Dominion subsidiary, British Dominion Drilling Co.

It is understood that, for the B.D. No. 5 well at least, the B.D. Drilling Co. will sublet the drilling contract to the Anglo Canadian subsidiary, Drilling Contractors Ltd. The subcontractor will rent and use a B.D. Drilling Co. rig for the job.

• • •

Foothills Pushes North

Second new north extension area location is that for Foothills No. 15, to be drilled in L.S.D. 7 4-21-3w5, quarter of a mile north of the Foothills No. 10 producer and three-eighths of a mile northwest of the Major No. 9 producer. The new key location is believed to lie in approximately the same structural position as Major No. 9—that is, just east of the Turner Valley structural crest. The new well will be drilled under contract by the Royalite Oil Co.

• • •

Drill in Athabaska

The Athabaska area in northern Alberta is in the news with announcements of initial drill-sites by two groups in the vicinity of the town of Athabaska. The Athabaska Oil & Gas Syndicate has taken out drilling permit for its initial Athabaska well for L.S.D. 14 10-66-23w4, three-eighths of a mile southeast of the Atha-Dome No. 2 well, and four miles west of Athabaska town. The well is on a 20,000-acre permit held by Athabaska Syndicate.

Deca No. 1 site has been staked on L.S.D. 1 4-66-22w4th, about seven miles northwest of Atha-Dome 2 and about three miles north of the town of Athabaska. This well is on a 20,000-acre reservation taken by Davies Petroleums Ltd. It is not known just when drilling is to get under way at the two new sites.

The Atha-Dome No. 2 test was drilled to 2,504 ft. several years ago, with fairly heavy gas flows showing at 1,315 and 1,677 ft., with an initial oil flow of about 15 bbls. daily of 12.1 degree gravity crude from a sand between 1,650 and 1,700 ft. It is believed commercial oil and gas production can be developed from these zones, using modern development methods.

• • •

Major and Taber

Major Oil Investments, a leader in the pioneering development in the north Turner Valley extension area, is branching out to the Taber area. The group, through a subsidiary, Major Oil Investments (Taber) Ltd., has acquired 3,240 acres in the area, and is completing plans for an initial two well drilling programme.

Financing will be by means of a debenture issue with share bonus. The first two sites are as follows: Major-Taber No. 1 in L.S.D. 12 9-9-17w4 (five miles west and a mile south of the Standard Taber-Province discovery producer); and Major-Taber No. 2, in L.S.D. 1 11-9-17w4 (two and a half miles southwest of Taber-Province).

• • •

Lease Situation

Over a year ago Alberta Government issued an order under which holders of Provincial petroleum and natural gas leases would be cancelled out unless development was started on the leases by Sept. 1, 1942. The deadline passed. Many hundreds of leaseholders unable to secure finances or drilling equipment for the vast amount of drilling that the order entailed, waited to hear what the government intended to do. In mid-September, Mines Minister N. E. Tanner gave his answer.

Mr. Tanner announced that undeveloped leases covered by the order would be cancelled, but that the former lessee will have the opportunity for a limited time to obtain a lease of his former location under existing regulations, upon payment of any outstanding rentals or other charges, and a fee for reinstatement (ranging from $10 to $25 per lease, dependent upon the area of the tract involved). "The lessee who accepts a lease under these conditions will be given until April 1, 1944 for commencement of drilling operations on his location, or, in wildcat territory, for 'contribution to the cost of a well being drilled in the vicinity of his holdings, as provided in the regulations,'" Mr. Tanner stated.

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Mining
INVESTMENTS

The mining market has shown a "levelling off" of prices the last few weeks and some hopes are being held out prices may take a turn for the better. Few reasons are advanced why prices can be expected to work ahead beyond the thought that the market may be oversold.

As far as base metals are concerned, it is suggested this group has weathered the "tax storm" relatively well and that steps may be taken shortly to improve the base metal mines labor supply which has been unsatisfactory recently. While some of the large gold producers have been hit by the labor shortage, it is considered in some quarters at least that the larger producers have borne up remarkably well when the seriousness of labor losses already experienced is taken into account.

• • •

McMarmac Red Lake Gold Mines, subsidiary of McKenzie Red Lake Gold Mines, in exploration on the two bottom levels has failed to reveal ore comparable to that on the upper levels and a search is now going ahead in an effort to locate new ore sources, the company's annual report states.

Improvement in the company's financial position is shown by balance sheet as at Apr. 30, 1942. If ore for future operations should not be found, it appears that considerable working capital will remain on hand in addition to the mill. Advances of $150,577 from McKenzie Red Lake as at Apr. 30, 1941, have been retired all except $7,306 while working capital totalled $155,417 at Apr. 30, 1942.

• • •

Goodrock Gold Mines reports that its small mill and all necessary ancillary equipment have now been transported to its tungsten prospect in the Gordon Lake area, N.W.T. Crew has been doubled to facilitate mining operations.

Dominion Government geologists are reported to have found scheelite veins on adjoining ground and an additional six claims have been staked covering these showings. The cost to Goodrock was only the cost of recording the new ground, it is stated.

Thirty-one Gold Mines Casualties This Year

Thirty-one Canadian gold mines have been forced to suspend production so far this year—the result of labor shortages, the impossibility of securing needed supplies, and the adverse effect of government rulings. Besides these "war casualties," further mines will likely have to suspend production in coming months.

The mines which have suspended production so far have been generally either on the small side or have been treating a relatively low average grade of ore. Further casualties, it is feared, may be in some of our more substantial mines.

GOLD MILLS CLOSED IN 1942

	Mill capacity tons	Date closed	Remarks on Closing
NOVA SCOTIA:			
Guysborough	100	Apr.	Ore exhausted; mill placed on tungsten property.
Whiteburn (Douglas)	10	Feb.	
QUEBEC:			
Arntfield	300	Apr.	Unable to finance; equipment sold.
Cournor	200	May	Supplies destroyed; to resume after war.
Mic Mac	500	June	Operated only few weeks; supplies unavailable.
Wood Cadillac	250	June	Closed for duration.
Pandora Cadillac	175	Aug.	Closed for duration.
ONTARIO:			
De Santis	150	July	Closed for duration; selling plant.
Faymar	250	Aug.	Ore exhausted.
Golden Gate	100	May	Closed for duration.
Goldwood	100	Jan.	May resume after war.
Nakhodas	...	May	Shipped ore to Faymar.
St. Anthony	200	Jan.	Closed for duration; small reserves.
Tyranite	230	July	Closed by labor shortage.
Queenston	...	Apr.	Closed for duration; shipped to Faymar.
MANITOBA:			
Century Mining Corp.	125	Jan.	Closed by regulations.
Gunnar Gold	150	Sept.	Ore reserves exhausted.
SASKATCHEWAN:			
Box (Smelters)	1,500	Sept.	Ore low grade; closed or duration.
BRITISH COLUMBIA:			
Alpine	50	June	Labor shortage.
Big Missouri	750	Apr.	Mine abandoned.
Buccaneer	25	June	Closed by labor shortage.
Central Zeballos	50	June	Closed by labor shortage.
Cottonwood Tertiary	...	May	Placer; closed for duration.
Euphrates	...	May	Small reserves.
Homeward	35	May	Closed by labor shortage.
Mount Zeballos	65	June	Reserves exhausted.
Musketeer	50	Aug.	Closed by labor shortage.
Polaris-Taku	300	May	Closed by labor shortage.
Spud Valley	90	June	Closed by labor shortage.
Balonne Consolidated	60	Sept.	Closed by labor shortage.
Ymir Yankee Girl	150	July	Ore reserves gone.

Processing Plants Established For Eau Claire Mica Output

With regular mica mining now under way in the Eau Claire area, 30 miles east of North Bay, operators have been giving their attention to marketing and two processing plants have now been placed in use.

One plant has been set up at Mattawa by Inspiration Mining & Development Co. which is mining mica on holdings optioned from Norman Vincent, Toronto. Other processing plant has been set up at Bonfield by the Amic Syndicate which is using about a dozen girls for cutting and trimming.

100 Men in Area

Around 100 men are stated to be in the Eau Claire area now either working on producing properties—the Purdy mine, Inspiration, Amic and Mattawa—or prospecting in the general area. About 70 claims have been staked in all.

To facilitate development and effect economics, the Amic and Mattawa Syndicates are to be merged unit for unit into one large company to be formed immediately. The new company will be called Mica Consolidated Mines, it is understood. It will also hold options on other properties in the area and will carry on processing and marketing of mica for others as well as on its own account.

In co-operation with Wesley Block & Co. of New York, a grading and selling subsidiary is being set up in New York City and a New York State charter has been taken out under the name of the Verona Corp. Officers have not been elected as yet.

Muscovite or white mica is the product of the Eau Claire region and is stated to be particularly desirable at this time due to the recent difficulty of securing supplies from Madagascar.

Oil Royalties

Producing Wells — Prices and Payments

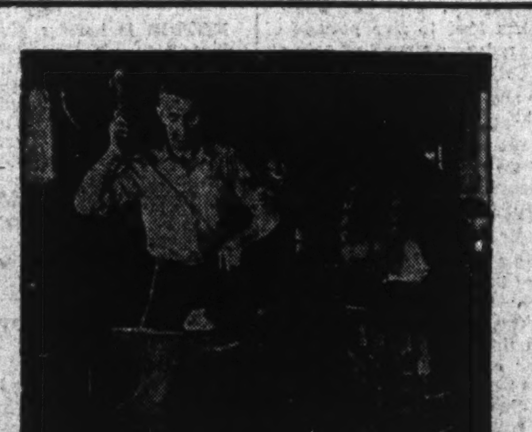
	Sept. daily allow. bbls.	Aug. daily allow. bbls.	May pay. 1% $	June pay. 1% $	July pay. 1% $	Paid to July 31 1% $	Dealers offering price* $
Ace No. 1 gross	525	543	241.82	241.87	230.24	$3,151.23	7,800
Alta. Oil Inc. No. 1 gr.	82	80	52.40	48.40	36.40	3,432.00	1,300
Do., No. 1 net	82	80	42.00	39.60	30.40	3,946.80	1,000
Do., No. 2 gr.	485	522	252.80	234.80	229.60	5,399.20	....
Do., No. 2 net	485	522	231.60	213.60	166.40	5,357.00	5,800
Allied No. 1 pfd.	95	100	42.80	45.84	42.61	618.14	....
Arrow No. 1 net	116	150	78.00	70.00	49.00	1,334.60	1,700
Do., No. 2 net	186	190	94.00	80.00	64.90	1,282.20	2,400
Atlas No. 1 net pfd.	105	110	35.60	62.40	......	†106.80	1,700
Atlas-Br. D. No. 2 pfd.	654	676	466.80	416.00	317.60	1,200.40	8,700
D. & D. net pfd.	75	75	36.40	32.[illegible]0	27.60	1,721.00	1,000
East Crest No. 5	130	135	......	69.[illegible]0	59.20	128.40	2,100
Independent No. 1 p.	220	225	148.99	133.92	114.60	1,717.39	3,800
Do., No. 1 gr.	220	225	107.09	97.75	103.42	1,774.32	....
Major Oil No. 1 pfd.	108	121	77.60	61.60	62.00	504.00	1,500
Do., No. 1 gr.	108	121	72.40	60.80	59.20	1,374.60	2,200
Do., No. 2 pfd.	578	604	430.40	376.40	284.80	3,732.60	6,000
Do., No. 2 gr.	578	604	331.20	286.40	273.20	4,823.20	9,500
Do., No. 2 dfd.	578	604	.....	.....	.....	......	5,900
Do., No. 3 net	825	835	534.00	476.80	280.40	4,952.80	8,400
Do., No. 3 gr.	825	835	396.00	373.20	376.00	4,503.60	....
Do., No. 4 pfd.	299	268	325.20	292.40	149.20	1,662.00	5,000
Do., No. 4 gr.	299	268	248.00	218.80	134.80	1,977.60	....
Do., No. 7 pfd.	650	649	.....	.....	.....	......	7,700
Do., No. 7 gr.	650	649	.....	.....	161.60	161.60	9,000
Do., No. 8 pfd.	293	...	.....	.....	.....	......	4,800
Do., No. 8 gr.	293	...	.....	.....	.....	......	6,500
Do., No. 9 gr.	427	488	.....	45.20	250.00	295.20	7,500
Do., No. 9 pfd.	427	488	.....	.....	.....	......	5,200
Miracle No. 1 pfd. net	415	409	414.82	155.36	152.09	4,199.50	4,200
Do., No. 1 gr.	415	409	296.21	273.68	203.20	4,003.28	7,300
Do., No. 2 pfd.	304	272	239.30	260.91	146.81	725.71	4,100
Do., No. 2 gr.	304	272	.....	196.94	131.60	328.54	....
Renown No. 1 pfd.	95	100	.....	46.56	38.00	84.56	....
Winalta No. 1 pfd.	81	93	72.00	41.20	35.60	3,335.90	1,000

*Approximately 25% over dealers' bid prices.
†Total to June 30, 1942.

Drilling Wells — Prices and Depths

Well:	Drilling depth ft.	Offering price per 1%		Drilling depth ft.	Offering price per 1%
Atlas Br. Dom. No. 3 pd.	7,510	*$4.375	Northend No. 1 dfd.	8,639	$1,800
Bonaventure pfd.	5,868	2,800	Northend No. 1 gr.	8,639	5,200
Major Oil No. 6 pfd.	7,273	6,400	Northend No. 2 pfd.	6,450	3,800
Major Oil No. 6 gr.	7,273	7,300	Northend No. 2 gr.	6,450	5,000
Miracle No. 3 pfd.	5,872	4,800	Northend No. 3 pfd.	9,137	2,500
Miracle No. 3 gr.	5,872	6,400	Northend No. 3 gr.	9,137	5,000
Northcl. No. 1 pfd.	6,610	4,000	New Ranchmen's pfd.	1,550	*3,200
Northcol. No. 1 dfd.	6,610	2,000	Empire pfd. (Ont.)†	....	*1,100
Northcol. No. 1 gr.	6,610	5,700	Hi-Test Pete pfd.†	....	*3,600
Northend No. 1 pfd.	8,639	3,800	Kinsella Ltd.†	....	*2,100

*Pegged price. †Acreage royalty.



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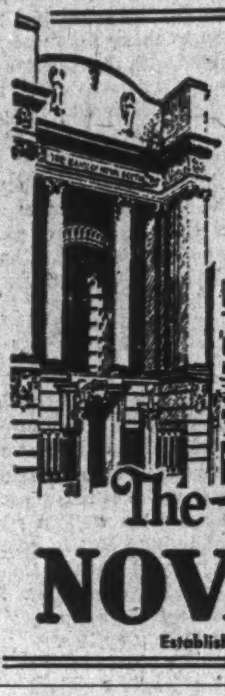

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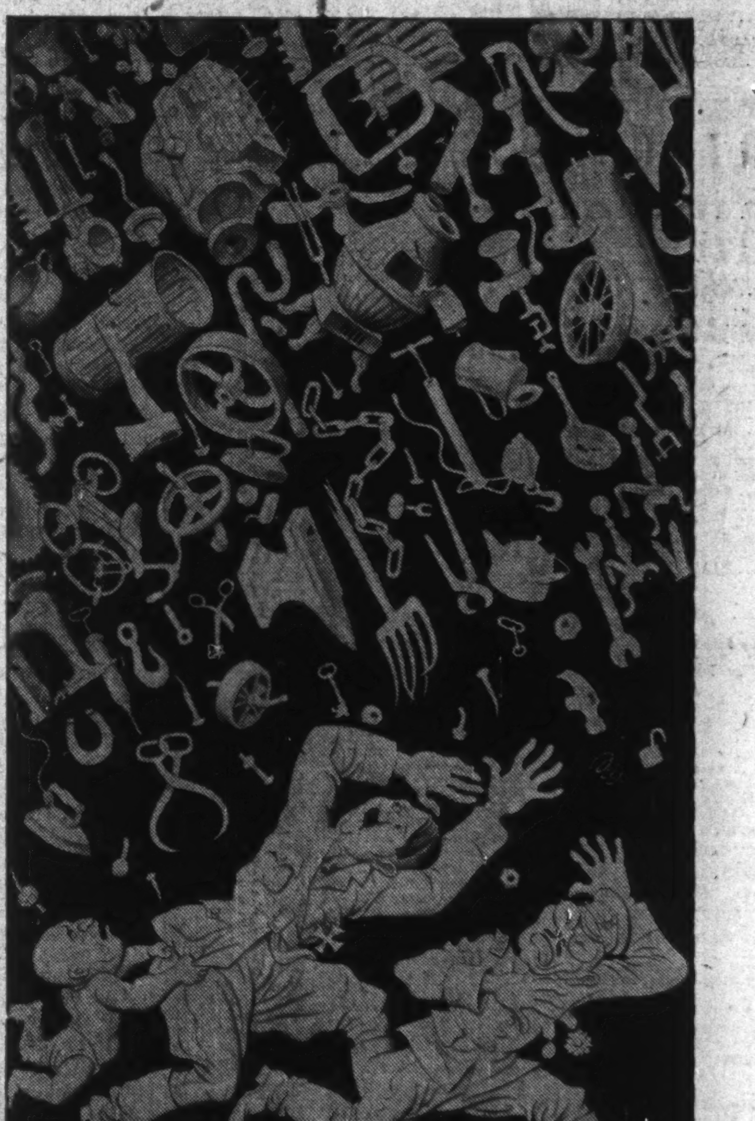

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Tungsten Drive Yields First Fruit

By GORDON M. GRANT

Spurred on by urgent need of new production sources and encouraged by two recent price lifts, Canada has been making considerable progress in its tungsten search. It is doubtful if this country could ever fully meet wartime needs of this strategic mineral—so much could be used—but it is hoped new sources will go a long way toward filling our minimum requirements.

Many tungsten showings have been turned up in Canada since the need for tungsten became really urgent. Perhaps the number of tungsten finds runs into the hundreds by now. But despite this degree of prospecting success, it may be only the odd property which will make money on this scarce "machine tool metal." Numerous gold mines, however, are undertaking production and will turn the metal out as a war effort even though little or no profit will be realized.

Emerald "Tops"

The most outstanding tungsten find of the war in Canada so far is undoubtedly the Emerald property of Iron Mountain Mines, located eight miles from Salmo, British Columbia. In fact, this property is reported by some authorities as the best tungsten property yet found on the North American continent. The government has taken over operation of the property for duration (on a royalty basis, it is understood), and a mill is planned. Mill capacity of 200 tons daily rather than a previously mentioned 100 tons is being considered, it is learned. Ore grade is reported as relatively good and work already has outlined perhaps $2 millions worth of ore. It is expected a shaft will be put down to open up the property at depth but first production will likely come from an open pit. Diamond drilling to determine the extent of the property is underway. This property was brought to the attention of the Dominion authorities by the War Metals Advisory Committee.

Two Producers

While the Emerald is Canada's most promising tungsten property, at least two "straight" tungsten producers are already in operation. At the Red Rose tungsten property of Consolidated Smelters, near Hazelton, B.C., a 75-ton mill is operating steadily.

A second tunnel has been driven at a point 250 ft. below the first at this property, enlarging the scope of operations. Production commenced last January.

Tungsten Mines Produces

Down in Nova Scotia, the Ventures - Guysborough controlled Tungsten Mines Ltd., is now in regular production. Milling was decided on when the Japs entered the war and it appeared that tungsten supplies from China would be cut off. Development carried out previous to that time had shown a considerable tonnage of tungsten-bearing material and while it seemed that little in the way of profit might be realized, the Ventures interests felt that a worthwhile contribution to the war effort could be made by turning out tungsten. Production with a 100-ton mill commenced in mid-1942 and 100 to 120 tons are currently being treated. Plans for expanding production to 300 tons daily are in abeyance pending further work. Plans call for carrying operations to greater depth to get a better idea of the extent of the deposit and to provide further sources from which to draw ore.

Consolidated Tungsten - Tin Mines which has the Regal Silver mine on Silver Creek, near Illecillewaet, Omineca Mining Division, B.C., completed a mill late last year but is not producing at present.

Government Mills

Besides straight tungsten operations, several government custom mills have either been established or proposed for tungsten production. Hollinger Consolidated Gold Mines has erected a 120-ton mill to treat scheelite ore found in its ores in the Porcupine area.

The Bureau of Mines at Ottawa pioneered treatment of tungsten concentrates in Canada. Its ore dressing laboratories were suited for this type of work and a steady stream of concentrates from a number of gold mines has flowed for approximately a year.

The Quebec government, co-operating with the Dominion government authorities, has established a new plant for treatment of tungsten concentrates at Val d'Or, Quebec.

Beaverhouse Mill?

It has been reported but not confirmed that the certain interests plan to erect a mill on the Beaverhouse Lake property in the Larder Lake area, following discovery of tungsten values on that property. Such a mill could handle custom work from neighboring mines in the Kirkland Lake area, it is suggested.

International Tungsten Mines—formerly Slave Gold Mines—has a 60-ton mill on its property in the North West Territories but finances have not been available for steady production. Other problems are reported complicating the picture for this property. The outlying location, for one thing, makes for rather high costs. Goodrock Gold Mines, in the Gordon Lake area, recently secured a small 10-ton mill and plans production.

Quartz Veins a Key

Quartz veins are a likely place to find tungsten values. This is probably why so many Canadian gold mines have found some scheelite ore in their mines. A considerable number of gold mines have now either completed or are planning special facilities for recovery of tungsten values. Among these are Bralorne Mines, Little Long Lac Gold Mines, Sullivan Consolidated, McKenzie Red Lake Gold Mines, Aunor, Delnite Mines and Preston East Dome.

McWatters has opened up a tungsten showing in its workings and Pickle Crow Gold Mines has tungsten in its north zone with steps for recovery now under consideration.

Emerald Mine Near Salmo Best Find to Date—Government May Install 200-ton Mill Instead of Previously Suggested 100-ton Unit

Leaving gold mines out of consideration, British Columbia and the Maritimes are considered perhaps the best places to seek straight tungsten mines. The contact on which the Emerald deposit was found near Salmo is considered an important location bet for further deposits and intensive prospecting has been reported in the general area recently.

Premier Has Prospect

Premier Gold Mining Co. has had a crew at work in the district south of Nelson at Stewart Lake while the Venango property six miles west of Nelson also has tungsten showings which may be important.

Tungsten showings have been widespread in British Columbia. In the Bridge River area, some tungsten ore has been shipped from the Tungsten Queen property. Further shipments are reported in prospect with work resumed since Consolidated Smelters suspended operations there a short while ago. At the adjoining Tungsten King property, samples taken have shown presence of tungsten.

In the Cariboo area, Cariboo Hudson Gold Mines, closed down for some time, has been found to carry tungsten values in its veins. Pioneer has joined with several eastern Canada mining companies to open up a B. C. scheelite property and interesting values have been encountered in driving an adit. A mine may be opened up. Wartime Metals Corp., the Dominion Government-owned mining corporation, is reported examining a scheelite showing in the Tulameen section of Similkameen mining division, B.C., owned by Princeton people. Tungsten has been found at the Esperanza mine, Portland Canal area.

N. S. Working

In the Maritimes, Nova Scotia has been carrying on tungsten research and property investigation, it is understood. With Tungsten Mines, a producer in the area, there is some tungsten experience of value if further properties are found.

In New Brunswick, experts have been going over the old Burnt Hill mine run by N. A. Timmins Corp. last war. It is doubtful, however, if sufficient values remain to warrant resuming production.

Up in the Yukon, Yellowknife and Gordon Lake areas, a number of discoveries have been made but tungsten production is not so large as yet. The Dominion Government is drilling a section of the Dublin Gulch area which is considered promising. At least two nearby placers operations are reported recovering tungsten values now in this section of the Yukon.

Government geological parties have been in the Yellowknife area this year but it is not known what success has been met with. Several hundred tungsten-bearing veins have been located in this area and small mills were mooted some time ago for one or two small properties.

Manitoba Producing

In Manitoba there have been a considerable number of tungsten finds made. The old Jack Nutt Apex property has been found to carry tungsten values. At least two tons of tungsten-bearing ore have been shipped recently. A small mill is reported planned and a three-compartment shaft is being sunk to develop showings at depth.

Finds have been reported around Falcon Lake, Man.

Ontario and Quebec — possessors of large numbers of quartz veins—have had a considerable number of tungsten discoveries besides those reported at gold mines. Development will be necessary to determine if they are sufficiently high grade to warrant production plans at the increased price for tungsten. One interesting discovery has been reported from the Sudbury area. Other discoveries have been made on the Kiryan and Republic Tungsten properties in Grenfell twp., not far from Kirkland Lake, while a new discovery is being opened up on surface near the boundary of Maisonville twp., next door to Grenfell.

Toburn Works at Amos

Toburn Gold Mines is opening up at surface a tungsten find at Amos, Quebec. Siscoe Gold Mines is taking over control of the adjacent Siscoe Extension property whose surface dump has scheelite showings. In Dasserat twp., Donhurd Prospecting Syndicate reports a discovery of tungsten. Considerable testing of tungsten prospects in eastern Canada has been carried out this summer and by late fall it will likely be known which offer the best possibilities.

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Macassa Finding New Ore

Results at Adjoining Kirkland Lake Mine Important Too

From Our Own Correspondent

KIRKLAND LAKE.—While exploratory development in recent months has been limited, Macassa Mines has exposed new ore in the upper regions of the mine and it is believed that despite limited development, proved reserves can be maintained by this work on the upper levels together with work along the main break at the 4,250-ft. level.

On the upper levels of the mine in the section below the 1,500-ft. horizon, drilling to the south in the hanging wall zone has made a number of ore intersections over a distance of 360 ft. to the south.

Open New Shoots

A crosscut has been driven to the south at the 2,000-ft. level and at a point 150 ft. to the south, ore lengths—of flat-lying structure—totalling 50 ft. averaging 0.80 oz. across 4.5 ft. and 44 ft. running 0.35 oz. across 3.7 ft. have been opened up. At 300 and 360 ft. south, ore lengths of 97 and 70 ft., respectively, have been opened up grading 0.85 oz. gold across widths of 5 ft.

Similar development is to be proceeded with on the 1,875 and 2,125-ft. levels where like drilling results have been secured.

Half Oz. Ore at 4,125

Lateral development is to be proceeded with on the 4,250-ft. level along the main break. On the 4,125-ft. level, drifting to the east has been carried to the Grozelle boundary opening up 700 ft. of ore of 0.52 oz. grade over an average width of 7.3 ft. The drift is being taken through the Grozelle ground to the north of the break to make available for exploration the 1,000-ft. east of Macassa ground to the Kirkland Lake Gold boundary.

Important indications of what Macassa may expect in future work have been given by development disclosures at the Kirkland Lake property which adjoins immediately to the east. The ore systems of the two mines have occurred along the main Kirkland Lake fault zone or break and to the south or in the hangingwall. This main fault has shown a steep dip to the south in the mines of the camp. To the west, in the extensions held by Kirkland Lake and Macassa, the fault zone has flattened to 65 degrees to the south below the 3,000-ft. level. This factor is indicated as being responsible for the more severe fracturing and resultant ore deposition in the hangingwall zones of these two mines.

Dip Reverses

In development operations the last two years in Kirkland Lake ground from the 4,000 to 5,400-ft. horizons, it has been disclosed that the main fault zone has reversed the dip with the break dipping steeply to the north below 4,900 ft. Kirkland Lake Gold has opened up a series of parallel structures on the 4,400 and 5,400-ft. levels. They lie to both the north and south of the break. The structures occur off the nose of an intrusive porphyry mass which suggests a rake west at 55 degrees toward Macassa ground at depth.

Work at the subsidiary operation, Renbie Mines, was suspended some time ago when it was realized new gold mines couldn't be placed in production during the duration of the war. Sufficient ore is stated to be indicated to justify installation of a 250-ton daily capacity mill, and it is believed an average grade of ore of about 0.3 oz. or $10.50 a ton could be delivered to such a mill. Eventually, this mine may mean a considerable addition to Macassa earnings as by far the majority of the stock is held by the company.

Mining Concentrates

A Quebec zinc refinery is stated to be still under discussion but few details have come out. At the last session of the Quebec legislature authority was given to pay up to a million dollars to bonus zinc production in the province and there have been rumors that the Metals Reserve Co. might participate in the project. Waite Amulet, Normetal, Golden Manitou and the old Tetreault mine are the present sources of zinc concentrates in the province. By the end of the year Calumet should be in production.

• • •

Bayonne Consolidated suspended production at the end of August; mining was suspended on Aug. 14. Closing of this operation is stated to be due directly to the labor shortage and the impossibility of maintaining a competent operating crew. Previous to the cessation of mining, a crosscut was driven south from the Main drift on the 4-level and this cut the new vein previously found on the 3-level. Regarding the closing of the operation, President W. C. Ditmars stated: "It is regrettable that such a course had to be taken at a time when the mine was in its most interesting phase of development."

• • •

Black Lake chromite properties are being placed in production by the Dominion Government using partly salvaged equipment from Howey Gold Mines. Production is scheduled to commence in the next six months with some of the equipment from the Howey mine already at the Black Lake properties. Mill capacity will be 600 tons daily, it is stated.

• • •

Columbiere Mines plans a programme of diamond drilling for its property adjoining Golden Manitou Mines, Bourlamaque twp., Que., according to President E. E. Ott. Some zinc and gold values were secured in a drilling programme by preceding operators, it is stated.

• • •

Consolidated Mining & Smelting Co. has been forced by the general labor shortage to call for applications from women for work in the plant at its great Sullivan mine. The shortage of hard-rock miners last spring was considerably relieved by a number of university students. Smelters now joins Hudson Bay and International Nickel in the decision to use women in surface operations.

• • •

Kirkland Lake Gold Mining Co. announces a further reduction in dividends to conserve working capital. Latest distribution is 2 cents a share payable Nov. 4, 1942, to shareholders of record Oct. 3. A dividend of 4 cents a share was paid on May 4 this year against 5 cents each half year paid prior to that.

• • •

Musketeer Mines, which commenced production early this year, was forced to close down its Vancouver Island property due to the labor shortage, a short time after operations had commenced to show a profit.

• • •

Pandora Cadillac Gold Mines announces its underwriting and option agreement with Federal Trading and Agency Co. has been terminated by default. Production was suspended at the company's mine in the Cadillac a short time ago.

• • •

Senator-Rouyn is now building up its working capital out of profits and may be in a position to begin dividends before the end of this year. Discovery of ore at depth by diamond drilling has improved the outlook considerably, it is stated.

• • •

Surf Inlet Consolidated Gold Mines had a gross operating profit of $39,153 in the year ended June 30, 1942, but after allowing for depletion and depreciation, a net loss of $8,019 was recorded. Gross production was $495,033 with net smelter returns of $410,638.

• • •

Steep Rock Iron Mines directors have allotted 4,000 shares of stock to George U. Papineau of Port Arthur in payment for 13 mining claims. Issued capital will now be 3,364,005 shares, leaving something over 1.6 million shares in the treasury.

C. N. R. Revenue 18.8% Ahead of '41

From Our Own Correspondent

MONTREAL.—Gross operating income of the Canadian National Railways for the current year to Sept. 7 were 18.8% ahead of the like period a year ago. Revenues totalled $172.3 millions, as against $145 millions.

There has been no let down in traffic. During the week ended Sept. 7 operating income was 25% higher than for the same week last year.

Bidgood-Kirkland Mine Improves

Exploration at Greater Depth Said Warranted By Recent Work

From Our Own Correspondent

KIRKLAND LAKE. — Improvement in the mine position at Bidgood-Kirkland Gold Mines the last half of 1941 has continued over into 1942.

Ore position on the two bottom levels is better now and it is possible that the total ore area at this level may be found to be considerably greater.

Open Three Veins

The Nos. 10, 12 and 14 vein systems have been opened up by drifting on the 1,150 and 1,275-ft. levels. The ore structures are reported to be narrow but persistent with some high-grade sections. On the 1,275-ft. level, the No. 14 vein has been opened for a length of 300 ft., the No. 12 for 150 ft. and the No. 10 for 90 ft. These parallel structures lie between two fault zones, apexing towards surface and diverging at depth. The veins have a northeast strike with evidence of rake to the northeast. This would carry the ore structures at depth to the northeast to the main shaft area. The shaft is at present bottomed at 1,350 ft. depth. A crosscut may be carried over from the winze 1,500-ft. level. A raise could be used to complete the shaft to the 1,500-ft. horizon with two further levels made available for exploration in the favorable area.

Broken Reserves Up

Broken ore reserves have been built up to 25,000 tons or a half year's supply, an increase of some 19,000 tons being recorded in the first half of the year. Due to the heavy "overbreak," operating costs have been relatively high with operating profit for the first six months only $12,842. However stoping costs are expected to drop by approximately $1.50 a ton in the latter half of the year and this may serve to increase profits.

Gold Frontier Gets Noble Five Ground

Under a deal completed recently, Noble Five Mines has agreed with Gold Frontier Mines to turn over properties held in the Sandon area, B.C., to a new three million share company to be formed.

Of the new company's three million shares, two million are to be issued altogether with 1.2 million shares going to Gold Frontier and the balance to Noble Five less a commission to the Kootenay Mining Syndicate.

The new company is to issue up to $100,000 of debentures to Gold Frontier Mines for expenditures to put the property in production.

● "It's the same with the Army, Navy and Air Force", says Vivienne Van Dyke, the topnotch cigarette girl, "the officers always go for Guinea Gold".

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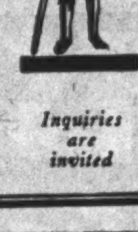

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The Fire Insurance Agents and Companies of Canada are selling this Government War Risk Insurance as Agents of the Crown. They have volunteered to the Government the services of their extensive facilities and personnel, on a non-profit basis, thus avoiding the setting up of the large organization that otherwise would be required.

FULL DETAILS FROM ANY FIRE INSURANCE AGENT OR COMPANY

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DOMINION OF CANADA
WAR RISK INSURANCE PLAN

Aluminum to Replace Newsprint

Diversion of Part of 2 Million h.p. Load Wartime Necessity

From Our Own Correspondent

MONTREAL.—Plans are progressing steadily for the diversion of power to war industries. It is no longer a question of aluminum or newsprint. Aluminum comes first in the war plan and whatever power is needed for its manufacture, as well as whatever is needed for other war industries, will come largely from the newsprint industry.

By the end of this year, at the latest, it is expected newsprint operations will be re-orientated to fit in with the new scheme of things. Operations will be more closely co-ordinated. Some mills may have to shut down.

The readjustments involved naturally are important to the newsprint industry. However what is not generally realized is the tremendous quantities of power which are employed in paper making. Some very substantial blocks of power can be given up without crippling the industry.

Large Power User

During 1940, notwithstanding the great reduction in the amount of power purchased by the industry for use in electric boilers and the growing munitions load, approximately 36% of all industrial power sold by central electric stations was purchased for use in pulp and paper mills. During 1940 the pulp and paper industry used one out of every three kilowatt hours of electrical energy produced by the central electric stations for all purposes.

Though the pulp and paper industry is represented in six of the nine provinces, its activities are concentrated in Ontario and Quebec. It is also in these areas that Canada's industrial war effort is largely centred.

Because of the combination of these two factors, supplying power for the growing requirements of war industries is a matter of immediate concern to the pulp and paper industry, by far the largest non-war user of power in the area.

Will Divert Energy

Whatever may be the demands, it is not expected that the withdrawal of power will cause a major dislocation to the industry. So much power is used in the manufacture of pulp and paper that aside from the energy used in the production of aluminum, the industry utilizes far more power than is employed in all the rest of Canada's industrial war effort.

That statement indicates that meeting additional power requirements, while a major task, will not cripple the industry.

Nearly 2 Million H.P.

In 1940 pulp and paper employed 1,986,667 h.p. of electrical energy. Over half of this was used in Quebec alone.

This figure includes power purchased from central electric stations for which the industry paid $17,345,301.

	Electricity employed* H.P.	Electricity purchased‡ $
Quebec	1,058,681	11,510,000
Ontario	564,110	3,540,148
B. C.	137,250	51,248
Man.	225,626	243,725
N. B.		
N. S.		
Total	1,986,667	17,345,301

*Electricity employed includes the amount of energy purchased from the central electric stations, as well as that generated in the operators' own plants.

‡Includes cost only of electricity purchased from central electric stations. Does not include cost of electricity generated in company's own plants.

Has Own Power

The industry is an important producer of power in its own right.

At the beginning of this year hydro electric installations in Canada totalled 8,845,038 h.p. Of this amount 649,801 h.p, was installed by pulp and paper companies. In addition pulp and paper mills have motor equipment with a capacity of more than 1.3 million h.p. and electric boilers rated at more than 1¾ million h.p.

To operate this equipment, to provide lighting, and power for electric boilers, the industry depended upon the central electric stations for more than 1,300,000 h.p.

Hydro-Electric Installations
(As at Jan. 1, 1942)

	H.P. installed in all plants	Installed in pulp and paper plants
B. C.	788,763	105,950
Alta.	71,997	......
Sask.	90,835	......
Man.	420,925	......
Ont.	2,617,495	231,277
Quebec	4,556,943	273,022
N. B.	133,347	20,694
N. S.	139,217	18,858
P. E. I.	2,617	......
Yukon	22,899	......
Total	8,845,038	649,801‡

‡In addition, pulp and paper mills have motor equipment for operation by hydro electricity having a capacity of more than 1,315,00 h.p. They have electric boilers rated at more than 1,750,000 h.p.

Buy Large Quantity

It is the power purchased from central stations that the Power Controller and others have in mind when considering the diversion of power from the industry to aluminum and other wartime industries.

In 1940 the central stations produced 32.8 billion kw.h. of electrical energy. Pulp and paper mills purchased nearly 8.4 billion kw.h., of which some 3.4 billion kw.h. were used in electric boilers and the balance for motive power and lighting.

It will be noted from the table that outside of Ontario and Quebec the amount of power purchased by the pulp and paper mills from the central stations is relatively small.

Moreover the power situation in those areas is not nearly so pressing as in the two central provinces.

The extent to which pulp and paper mills, particularly those in Ontario and Quebec, will be affected by the diversion of power to war industries is difficult to appraise. It is doubtful if any accurate figure is available as to the amount or the time when it will be needed. Necessarily only estimates can be made; the only certainty being that in the months ahead the supply of energy will not be sufficient for all needs.

Hydro Electricity Purchased—1940
(Returns in thousands of kilowatt hours)

	Total supply available	Purchased: For use in boilers	Purchased: Power and lighting	Purchased: Total Purchased
British Columbia	2,098,925	nil	7,308	7,308
Ontario	11,522,484	975,644	1,030,295	2,005,939
Quebec	15,702,924	2,321,227	3,342,945	5,664,172
Manitoba	2,603,004	84,577	605,753	690,330
New Brunswick				
Nova Scotia				
Total	32,752,597	3,381,448	4,986,302	8,367,759

Urge Publishers Buy Newsprint

W.P.B. Asks U. S. Publishers to Stock Up; See Transport Difficulties

From Our Own Correspondent

MONTREAL.—Following the lead of the American Newspaper Publishers Association, the U. S. War Production Board has issued a statement urging newspapers to stock up with paper.

Pointing out that orders relaxing inventory restrictions on newsprint would expire Sept. 30, E. W. Palmer, Deputy Chief of the printing and publishing branch of W. P. B., suggested publishers take advantage of the opportunity of stocking up with newsprint since they may later face difficulty in obtaining supplies because of increasing burdens on railway transportation.

"A shortage of railroad facilities would seriously disrupt delivery of many of the nearly 6,000 cars of newsprint expected to be transported monthly during the last quarter of the year," Mr. Palmer said. "Each newspaper publisher should analyze his own newsprint requirements, the method of transportation used in delivering his newsprint and facilities for storing his newsprint, in order to work out means of filling requirements with the least possible strain on transportation."

U. S. Paper Consumption Holds Near 1941 Level

From Our Own Correspondent

MONTREAL. — Total apparent consumption of newsprint by United States publishers during August was a shade under a year ago, but well in excess of the July figure, indicating the usual seasonal trend.

The 297,653 tons of apparent consumption compared with 280,796 tons for July and 299,216 tons a year ago.

For the first eight months of the year, apparent consumption of newsprint by United States publishers was 2,448,501 tons, a reduction of 3.7% from that consumed in the first eight months of 1941.

Newsprint Stocks Drop in August

From Our Own Correspondent

MONTREAL.—North American newsprint mills effected a net reduction of 10,943 tons in newsprint stocks during August. Canadian mills contributed 2,324; Newfoundland mills, 8,948; while American mills added 329 tons to their stocks.

At the beginning of this month the mills had on hand 254,753 tons. This was practically the same figure as reported at the same time last year.

Newsprint Mill Stocks
(In tons)

	Sept. 1 1942	Sept. 1 1941
Canada	154,122	155,214
Nfld.	82,482	86,422
U. S. A.	18,149	13,459
Total	254,753	255,095

Newsprint Mill Operations Widen

Seasonal Upswing Noted in August as Sales to U. S. Increase

From Our Own Correspondent

MONTREAL.—Seasonal upswing in both production and shipments is indicated in the reports of the Canadian newsprint industry as compiled by the Newsprint Service Bureau and the Newsprint Association of Canada.

Production ratio last month moved up to 68.4%, the best since last April though still well under the corresponding figure for 1941.

Shipments did better, the ratio to capacity of 69.0% being the highest since March, but again well under the Aug., 1941, return.

Operating Ratios
Capacity: 1942—4,399,815 tons
1941—4,340,735 tons

	Production 1942	Production 1941	Shipments 1942	Shipments 1941
Jan.	84.3	71.5	78.9	66.6
Feb.	81.4	72.9	77.4	71.1
Mar.	79.9	75.5	83.2	72.8
Apr.	75.0	76.7	64.4	78.2
May	68.0	75.1	72.0	76.8
June	65.6	77.9	68.4	80.3
July	65.2	80.4	65.8	82.2
Aug.	68.4	80.2	69.0	81.3
Sept.	...	84.9	...	86.9
Oct.	...	84.1	...	80.3
Nov.	...	85.5	...	91.4
Dec.	...	82.4	...	87.4
Year		78.9		79.6

U. S. Publishers Buy More Paper

Seasonal Advance in Buying Helps Newsprint Mill Operations

From Our Own Correspondent

MONTREAL. — Production and shipments of newsprint paper in North America moved ahead last month. This was a purely seasonal move as far as preliminary figures indicate.

Newsprint Production
(in tons)

	1942	1941
Canada		
August	253,229	293,054
January-August	2,152,591	2,207,671
Newfoundland		
August	16,995	28,683
January-August	192,359	233,673
United States		
August	79,885	83,592
January-August	640,717	684,886

The upswing was due solely to the greater demand and shipments to the U. S. publishers. As the trend of consumption in that market has been downward of late, it is to be assumed the publishers are continuing their policy of building up stocks in anticipation of possible transport difficulties later on. This policy is in line with that advocated by the U. S. War Production Board, which is encouraging the publishers to add to their stocks.

Though production and shipments in August were on a better scale than in July, it is to be noted that returns are running well below those of the like month last year. The peak was reached last November, since when production and shipments have steadily declined.

Returns compiled by the News Print Service Bureau and the Newsprint Association of Canada for last month indicate, as far as the Canadian mills are concerned, that the rise in production was due entirely to greater demands from the U. S., as shipments to Canadian publishers and those overseas declined relatively sharply.

The trend of shipments from Canadian mills this year is set out below:

Shipments—Canadian Mills
(In Tons)

To:	1942	1941
August		
Canada	15,433	15,584
U. S.	222,634	230,284
Overseas	17,496	51,117
Total	255,563	296,985
Eight Months Ended August		
Canada	134,652	126,744
U. S.	1,814,250	1,753,782
Overseas	146,138	324,302
Total	2,122,040	2,204,828

Production of newsprint paper in the Newfoundland mills last month dropped to a low for recent times. On the other hand, shipments at 25,943 tons were the second highest for any month this year and compared favorably with those for August, 1941.

For the year to date shipments of paper from the Island have totalled only 179,477 as against 219,019 for same period last year. This corresponds to the drop in production.

There has been no material change in the position of the American mills. For the eight months both production and shipments are off about 40,000 tons, or an average of 5,000 tons a month.

Newsprint Stocks Highest Since Feb., 1938

From Our Own Correspondent

MONTREAL. — Stocks of newsprint paper held by American publishers at the end of August totalled 662,712 tons, an increase of 20,074 during the month to the highest level since Feb., 1938.

The apparent total of all North American stocks, including those held at mills, amounted to 917,465 tons. This, also, is the largest figure reported since Feb., 1938.

How to Unite French And English Canada?

(Continued from page 27)

Adam L. Sellar

President, The Huntingdon Gleaner, Huntingdon, Que.

No discrepancies as to wages between French and English need be considered. The only reason why such thoughts prevail is that so often the French population have not received equivalent education accorded the English. Classical education has perhaps been over done amongst the French population and too few have been given a business education and training. Prime Minister Godbout is giving good advice to our French population on this subject and we believe is being heeded.

* * *

Victor Soucisse

Well-known advocate of better relations between French and English speaking Canadians, public relations consultant, Montreal.

The most successful advocate of Canadian unity had "a mind resolute to administer to every British subject equal rights." This is the way J. L. Morison described Lord Elgin's great contribution to the making of Canada.

In a recent national poll among French Canadians about 70% of those who had a decided opinion, believed that they were badly treated in the Civil Service, war industry contracts, the army and in business. "Educational" propaganda will be of no avail on a people who have figures to prove their contentions and the law of commonsense and fair play to back their demands for equal treatment in all domains, in all parts of the Dominion.

A firm resolve to rectify French griefs, if they are found to be unjustified, will bring concrete and lasting results—nothing else will.

* * *

Gilbert S. Stairs, K.C.

Prominent in Montreal legal circles.

If greater unity of thought and outlook between French and English speaking Canadians is to be brought about, the first requirement is obviously that each group should familiarize itself with the backgrounds and aspirations of the other. This suggests efforts to improve the facilities for the study of history, especially modern history, in its more Canadian aspects as well as the study of the language and literature of each group by those of the other. It is not a matter of achievement over might. Education in the broad sense and intercommunication of ideas must form the foundation. An interchange of scholarship might help.

* * *

T. H. Stinson, K.C.

President, Victoria Trust and Savings Co., well-known lawyer, Lindsay, Ont., and former Conservative M.P. for Victoria County.

Unity throughout Canada is the most important thing in order that we may carry and perform our full share of the burden in the world war. In my opinion a conference of really representative citizens from coast to coast, who are deeply interested in Canada's welfare, should meet in Quebec to discuss our misunderstandings and earnestly strive to find a solution for the same. Personal contact and good faith should establish confidence in each other. It was Lincoln who said at the time the United States was threatened with civil war that "the Union of the States must be preserved." With us today "confederation" must be preserved.

* * *

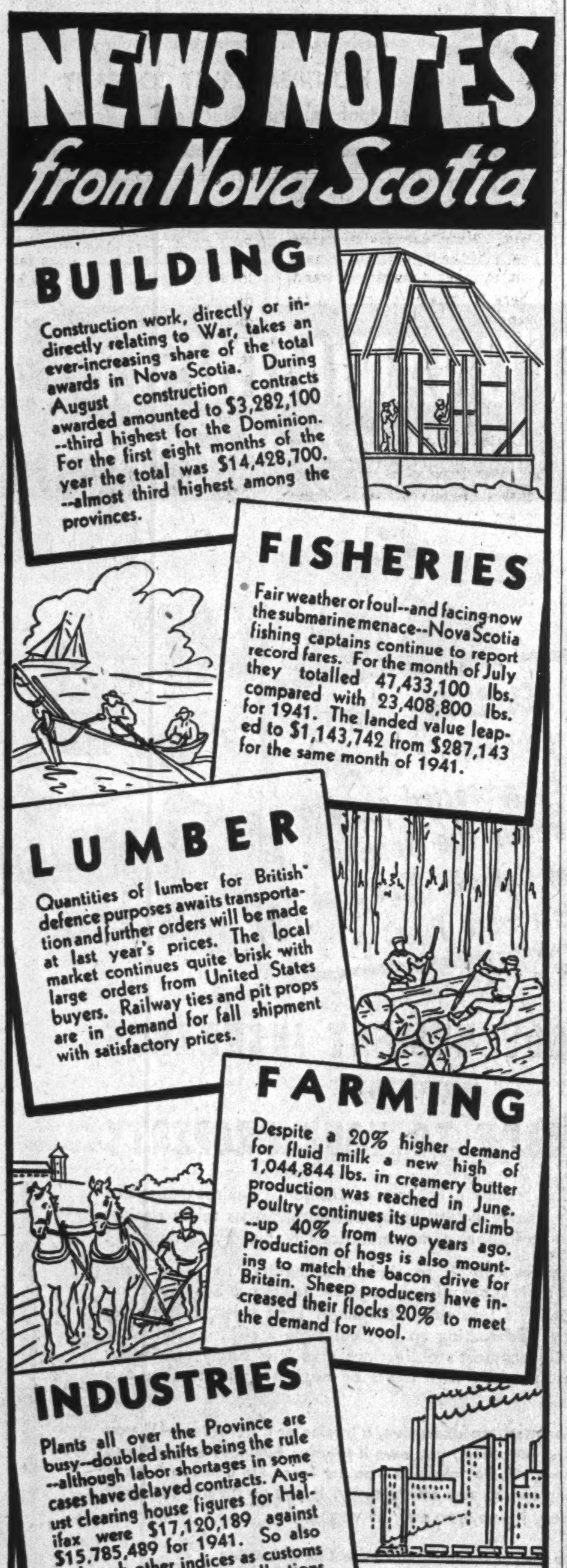
Sidney Smith

President, University of Manitoba, Winnipeg, Man.

I advocate measures that would serve to inform English speaking Canadians of the traditions and ambitions within the framework of Confederation of their French compatriots, and to impress on the latter that unity does not mean uniformity. Unity is of the spirit and not of the letter. Therefore education in the widest sense is the major device to promote that spirit.

Laymen (as distinguished from politicians) representing national organizations such as Canadian Club, professional and newspaper associations, Adult Education Association, Canadian and Newfoundland Educational Association, universities, and Labor associations should confer jointly and prepare an objective programme to be carried out through radio publications, schools and universities.

I repeat that such a programme should interpret to one another various sections of Canada. It should, however, be always dominated by a common and articulate pride in Canadian builders, Canadian institutions, Canadian achievements and Canadian ideals.


NEWS NOTES from Nova Scotia

BUILDING
Construction work, directly or indirectly relating to War, takes an ever-increasing share of the total awards in Nova Scotia. During August construction contracts awarded amounted to $3,282,100 --third highest for the Dominion. For the first eight months of the year the total was $14,428,700. --almost third highest among the provinces.

FISHERIES
Fair weather or foul--and facing now the submarine menace--Nova Scotia fishing captains continue to report record fares. For the month of July they totalled 47,433,100 lbs. compared with 23,408,800 lbs. for 1941. The landed value leaped to $1,143,742 from $287,143 for the same month of 1941.

LUMBER
Quantities of lumber for British defence purposes awaits transportation and further orders will be made at last year's prices. The local market continues quite brisk with large orders from United States buyers. Railway ties and pit props are in demand for fall shipment with satisfactory prices.

FARMING
Despite a 20% higher demand for fluid milk a new high of 1,044,844 lbs. in creamery butter production was reached in June. Poultry continues its upward climb --up 40% from two years ago. Production of hogs is also mounting to match the bacon drive for Britain. Sheep producers have increased their flocks 20% to meet the demand for wool.

INDUSTRIES
Plants all over the Province are busy--doubled shifts being the rule --although labor shortages in some cases have delayed contracts. August clearing house figures for Halifax were $17,120,189 against $15,785,489 for 1941. So also with such other indices as customs duties and income tax collections --Nova Scotia is relatively the busiest province in the Dominion!

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PLAN AHEAD

The government of Canada has announced plans to finance much of the war expenditure out of current revenue. War taxes of various sorts are being imposed. To meet them the first step is to save systematically. Open an account with this Corporation and be ready when the government calls.

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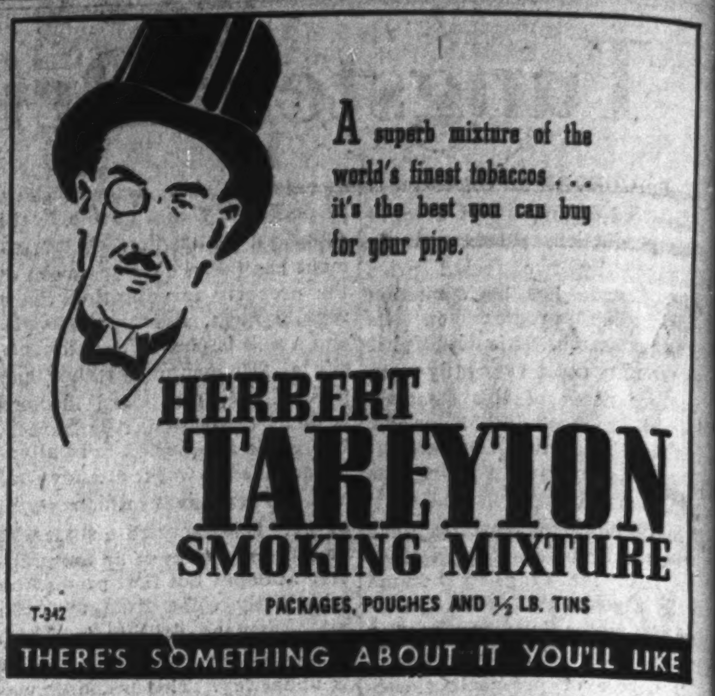
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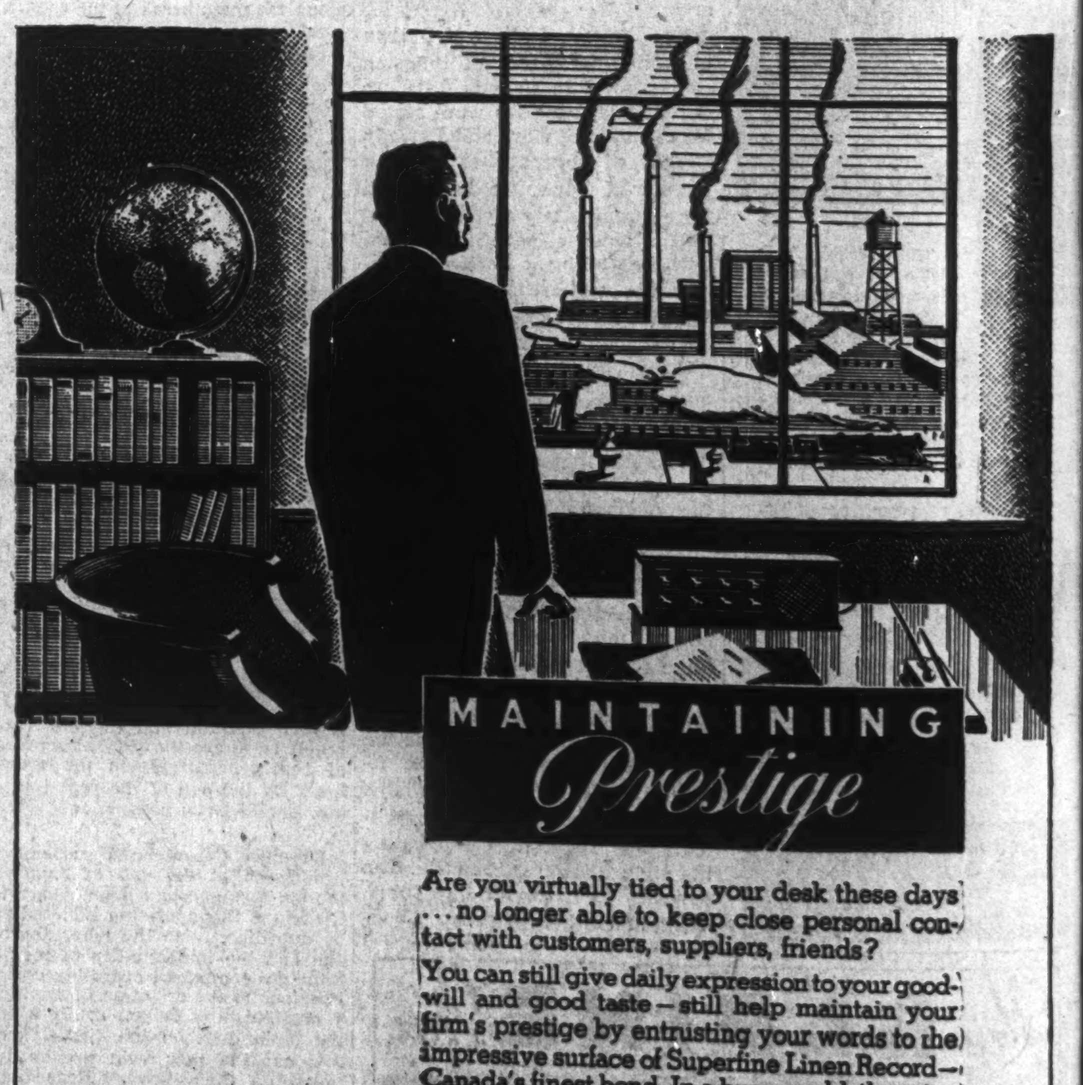
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Will Your Plant Be Closed Down?

Concentration of Civilian Output Will Close Many Firms— In Some Industries Leave Only a Few to Continue as "Nucleus" Plants

By W. BRUCE MacKINNON

In the next four months some Canadian firms are going to be closed up by order.

The process will be called "Concentration of Industry."

Will it be your firm that will be closed?

Perhaps, but the answer will depend on the industry you are in; on your position within that industry and the relation of your industry to the Canadian economy as a whole.

Some industries will probably escape completely. Others will be hacked at and hewed until only one plant of the entire industry is left.

Which those industries are and which those plants will be cannot be determined at this stage. But Canadian businessmen can get a fair idea by appraising the importance of their own industry in maintaining a minimum civilian standard of living, and by estimating the ability of any one or two plants in the industry to produce enough to satisfy that demand.

Estimates Needed

In making these appraisals, weight will have to be given to the amount and quality of labor, power, and transport employed in the industry and among its component firms.

Dictated by self-interest, such appraisals may take on greater than individual import, may, as in Britain, become the basis of future government action.

Ottawa officialdom will say only this at this stage: that non-essential production must be cut to the bone.

Canada's manpower crisis, long warned of in a few quarters, long ignored in most, is now definitely here.

Canada's war production machine is rapidly approaching full output. Very important in precipitating intense official concern on the manpower problem is the experience of Dieppe and its 67% casualties. Armed forces officials are now planning reinforcements on a hitherto unprecedented scale. In Nov., 1939 — two months after the outbreak of war, The Financial Post analyzed Canada's resources in manpower and estimated that at full utilization Canada could raise an army of one million men.

The indication now is that that figure may be reached before very long. Certainly, military authorities, since Dieppe, have raised the sights very sharply.

There are four main weapons Canada has to mobilize this country completely for victory; to reduce production and services for civilians to the minimum; to get the most out of the skills and the working time of her men and women.

First is standardization and simplification. Much has already been done in this field; there is very much more to be done. Businessmen are now familiar with its aims, how it works.

Second is the closing of non-essential industry and that means exactly what it says: shutting down entire industries by decree. This weapon sounds better than it really is for this reason: What is non-essential industry?

Some would classify the durable consumer goods industry as non-essential. It has already been severely curtailed, but clearly the point may soon be reached where some of this production becomes essential, where replacements must be made if workers are to maintain adequate living standards.

Almost any industry you can name can make some claim to being in some respect essential. There will be delicate, painful decisions to be made when this weapon is to be used.

Third is rationing. So far Canada has little rationing. But its possibilities are vast. Those unnamed sheets in our sugar ration books are a strong hint that more use may yet be made of this weapon of total war.

How Britain Concentrated Industry

Progress Since March, 1941

Number of industries under scheme	50
Establishments closed	2,000
Nucleus firms set up	4,000
Total workers transferred to war industry	250,000
Total factory space cleared, sq. ft.	50,000,000

What Happened in Hosiery

Plants closed	500
Plants left running	400
Workers transferred to war industry	30,000
Workers left in hosiery industry	70,000
Factory space cleared, sq. ft.	6,000,000

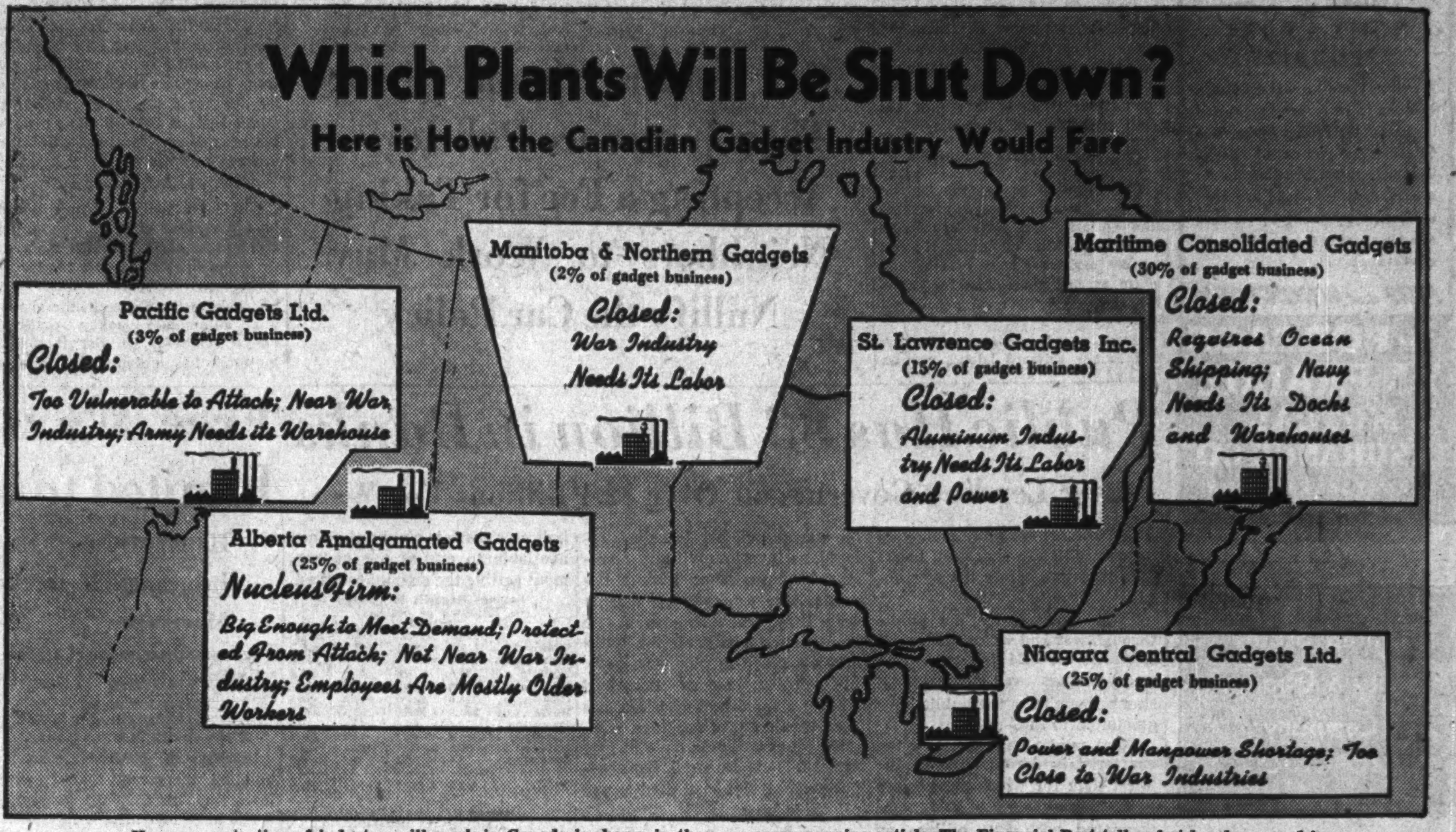
Fourth is the concentration of industry.

Of this most alarming and most drastic of the four weapons Canada has so far had no experience. It raises many questions for the businessman. Is it your plant that is going to be concentrated out of business? What compensation will you get? What about the brand names in which you have such an enormous investment? What about sales forces? What about recovering your business when peace is restored?

Best available answer to these questions is the experience of British industry, under the Board of Trade's concentration of industry plan which began in March, 1941.

So far, this is the only working model for concentration. The United States has "concentrated" three industries to date, bicycles, stoves and typewriters but in all these cases the firms which were forbidden to continue producing the civilian articles, were shifted direct to war industry. The concentration was primarily to make equipment available for war production; in the concentration now planned for Canada, the primary object is manpower with hydro-electric power a major consideration.

Like the Canadian pattern, the British concentration formula was arrived at after substantial reduction had been made in the level of civilian production. But cutting an industry's production to a third results in a tremendous amount of part-time work across the country. Object of the new system in Canada will be to reduce part-time labor to a minimum, lump what civilian production is being carried on in one or two plants whose workers and equipment would run full time. Workers from the closed plants would also be employed full time, but in war industry or in the armed forces.


Which Plants Will Be Shut Down?
Here is How the Canadian Gadget Industry Would Fare
Pacific Gadgets Ltd.
(3% of gadget business)
Closed:
Too Vulnerable to Attack; Near War Industry; Army Needs its Warehouse
Manitoba & Northern Gadgets
(2% of gadget business)
Closed:
War Industry Needs Its Labor
Alberta Amalgamated Gadgets
(25% of gadget business)
Nucleus Firm:
Big Enough to Meet Demand; Protected From Attack; Not Near War Industry; Employees Are Mostly Older Workers
St. Lawrence Gadgets Inc.
(15% of gadget business)
Closed:
Aluminum Industry Needs Its Labor and Power
Maritime Consolidated Gadgets
(30% of gadget business)
Closed:
Requires Ocean Shipping; Navy Needs Its Docks and Warehouses
Niagara Central Gadgets Ltd.
(25% of gadget business)
Closed:
Power and Manpower Shortage; Too Close to War Industries

How concentration of industry will work in Canada is shown in the above hypothetical map of a hypothetical industry. The "gadget business" will probably be a civilian industry, one in which further civilian curtailment is possible and one in which Canada has more than sufficient capacity to produce the new civilian quota. In the accompanying article, The Financial Post tells what has happened in Britain, the most realistic blueprint available for Canadian concentration. Because of differences in industrial structure and geography, there will be many important differences in the Canadian programme.

Assuming your industry is classed as "non-essential," an assumption which should not be made on superficial evidence, your firm will become either a "nucleus firm" or be closed down.

In the British scheme, first intimation that nucleus firms are to be selected is notification to the industry that it must concentrate production. How that is to be done is left to the industry itself. If it proves slow in reaching a decision, a deadline is set by the Board of Trade. If the industry still proves laggard, the Board imposes its own plan.

Assuming your industry is to concentrate, which plant will be the nucleus and which will close?

Requirements for a nucleus plant are:

1. That it be located as far as possible from war industry, hence will place as little drain as possible on vital supplies of labor, power, transport.

2. That it be capable of handling the required volume of civilian business efficiently. It is not necessarily the largest unit in the industry, since smaller units might operate more efficiently at the specified volume.

3. That its workers be older, less adaptable, less suited to work in war industries, and that it undertake to offer employment to similar workers from other plants.

4. That its continued operation should not be at the expense of any military production or military requirement.

Few plants in any industry will have a monopoly of these desirable features, hence selection of the nucleus plant places a tremendous responsibility on the affected industry to arrive at the best compromise.

Once your plant has been selected as the nucleus firm for your industry, the British pattern automatically registers you as such and certain rights and responsibilities follow, as outlined in the accompanying table.

Most important aspect of these duties from the viewpoint of the closed firms is the type of compensation provided. In some cases this has taken the form of outright purchase of closed firms by the nucleus company—a type of compensation discouraged in Britain because of possible injustices and the risk of fostering monopolies.

In other cases, production has been concentrated, but sales offices have been maintained by the closed firms which thus are able to maintain their identity throughout the period of non-production. The nucleus firm provides merchandise to all others at cost of production. Advantages of this arrangement to firms that have built up goodwill over the years at great expense is obvious. Less apparent is the fact that it makes easier the reinstatement of closed units after the war, a project which the British Government has undertaken to support.

A third method is for the closed units to move some or all of their equipment over to the nucleus plant, there to continue production under individual agreements as to the division of profits. One benefit of this form of agreement is that it supplies the nucleus firm with as much equipment as it could possibly use, aids low unit production costs.

In any event, the nucleus firm must provide funds for the care and maintenance of equipment, and this money must not be used for any other purpose (such as distribution to shareholders of the closed firm). Here again, the Board of Trade plan has its eye on post-war reinstatement of industry.

In general, these payments cannot be added to the production costs of the nucleus firm. (One of the main objects of concentration is to keep down production costs.) They must be paid out of the profits of the nucleus firm and divided in accordance with the plan approved by the industry.

Outstanding feature of the British plan is the scope it gives to self-government in industry. Great latitude is given the industry in selecting the type of arrangement under which it will operate. Should an industry decide on a plan unsuitable to the plants which are to be closed, they have the right to appeal to the Board of Trade for a more equitable arrangement. In such cases the Board's decision is final, but it has permanent policing powers and may force alterations in the plan of an industry if conditions indicate such a step.

How does the shareholder make out? In most cases about as well as he did before the concentration process. Where the closed firm buys merchandise at cost from the nucleus unit, the profit on sales is sometimes greater than before the shift of production to the more efficient plant. No plan that bonuses the nucleus plant's shareholders at the expense of stockholders in closed plants is likely to get past the Board of Trade.

Is there anything in British experience to indicate what industries will be concentrated?

The Nucleus Factory

It Has Well-defined Rights and Responsibilities

It is Entitled to:

1. All Government orders for the Product.
2. Draft exemption for its employees.
3. High priorities on materials.

In Return it Must:

1. Provide adequate compensation to closed firms.
2. Shut these firms completely so the factory space can be used for other purposes.
3. Keep equipment of closed firms in good condition.
4. Take over certain unfilled orders of closed firms.
5. Make satisfactory arrangements for disposal of labor released by plant shutdowns.

After a little over a year of operation, some 50 British industries had been concentrated. They included boots and shoes, carpets, cotton, cutlery, gloves, hosiery, jute, leather goods, pottery, rayon, toilet preparations, wool and the woodworking industries.

But before making the assumption that the same industries will be concentrated in Canada, note that all the British industries listed have two common features — they produce civilian goods and they are (in Britain) export industries. In Canada, most of these goods were formerly imported in small or large degree from Britain. With wartime demands, many of the industries are hard put to meet domestic demand, there is little or no surplus for export.

The Canadian woollen industry, for example, supplied about 55% of domestic demand, most of the balance coming from Britain. Now, with some of these imports cut off, the industry has to shoulder a larger share of Canadian civilian production, plus almost the entire burden of uniforms for Canada's three armed services. Now reported operating at full capacity, this industry does not appear to be a likely candidate for concentration. In fact, few of the industries listed for concentration in Britain are likely to appear on the Canadian list, unless their output is clearly non-essential to civilian standards.

Don't forget that the nearest Canada has yet come to concentration is in the newsprint industry of southern Ontario and Quebec. Although full details of how this industry will cut production are not announced, it is significant that the industry is about 85% devoted to export.

Labor Reaction

How does labor take to the concentration plan?

This depends almost entirely on the individual case. A major problem is adjusting pay rates of the workers shifted from a closed to an open industry. Where the closed firm offered higher wages than the new job, the shifted worker is likely to be discontented, and if compensation is given him, his fellow workers are likely to be discontented. Where workers move into more highly paid trades, there is a cumulative tendency to boost total wage bills, add to inflation dangers. No general solution to this wage problem has yet been announced.

In Canada, the question of wage differentials may be acute, particularly if the concentration programme involves shifting workers from one economic area to another. In addition to pay differences between industries, Canada adds the problem of substantial differences in living costs and wage structure between economic areas:

So great are some of the Canadian transport problems that it may be found wiser to concentrate industries in six or seven plants across the Dominion. Even in Britain with a less severe transport problem, there are sometimes more nucleus firms than there are closed plants in specific industries.

How about the post-war organization? In Britain, the then president of the Board of Trade (Oliver Lyttelton), pledged the government to assist the closed firms to return to business in peacetime, but stressed that any return to peacetime methods must be worked out very carefully.

When details of Canadian plans are announced, similar aims are expected to be incorporated. But regardless of intentions for post-war rehabilitation, realism drives home the fact that the revolutionary processes envisaged must leave more than temporary scars on the business structure. The danger that the nucleus firm would be so well entrenched by war's end that closed plants could never come back is obviously one of the most alarming features of the plan. To prevent such a situation developing may well involve as drastic steps as the concentration plan itself.

Despite the obvious risks and shortcomings of planned concentration, it will be preferable, particularly to the closed firms, to the unplanned concentration that would develop through the gradual bankrupting of businesses which could not retain their working force in the face of military demands. The steady withdrawal of manpower from "non-essential" industry, would tend to leave only a few strong firms in control, with no post-war rights accruing to the firms that had been forced to shut down.

Under the circumstances, concentration of industry is the lesser evil, how it works out will depend largely on how skilfully industry performs the coming surgery on itself.

What United Nations Owe to Great Britain

One of the most sober, best thought out accounts of war in the Middle East comes from the pen of Allan A. Michie, who in "Retreat to Victory" sums up his experiences as a correspondent for Life, Time and Fortune magazines. Among the most important of his conclusions is his evaluation of the role Britain has played in the war to date, published herewith by the Financial Post. The volume is published in Canada by Longmans, Green & Co.

It seems to me that America has forgotten what Britain has done. Maybe we need a reminder.

With a population one third that of the United States, one fourth that of Russia, one half that of the German-speaking nations, little Britain held the Axis alone for a year and a half.

* * *

With an ill-equipped army only one third the divisional strength of the German Reichswer, the British forced Hitler to turn away from the 21-mile-wide English Channel and seek an easier end to the war.

* * *

A few hundred young fighter pilots of the R.A.F. pushed back the whole might of the Nazi Luftwaffe, gave Britain its chance for survival, and provided the United Nations with their first major victory of the war, a victory which will rank in history with Marathon and Waterloo.

* * *

To protect the merchant shipping of the United Nations the British keep more than 600 ships continuously at sea in all kinds of weather.

In 1941, 300 vessels were being used continuously on the long trip around Africa to bring supplies and men to the vital Middle East.

* * *

In the air blitz on Britain, which wrecked huge areas in London, Coventry, Manchester, Plymouth, Sheffield, Birmingham, Southampton, Liverpool, Bristol, Cardiff, and Glasgow, 43,357 British civilians were killed and 50,000 seriously wounded up to Jan. 1, 1942. No Briton then suggested that his country should quit.

* * *

America's highly publicized "all aid short of war" contributions were important, but they were small compared with the amount of military equipment which Britain sent to Russia, the Middle East, India, and the Far East. For some months toward the end of 1941, about 80% of Britain's total military production was being sent abroad. Britain received 2,000 airplanes from the United States in 1941, but in the same period she sent more than 9,000 of her own planes to her allies and her armies overseas. Britain imported 200 tanks in 1941; she sent 3,000 overseas from her own factories.

* * *

America's "aid to Britain" has not been the one-sided proposition Americans have assumed it to be. Britain's radio locator invention, one of the few secret weapons of the war, which can spot approaching planes or surface vessels, was turned over to America early in 1941. American vessels are being repaired in British ports and British airplanes operate from Cuba to attack the U-boats which prey on American shipping.

* * *

The British have provided two of the four most important events of the war, turning points which made sure an eventual United Nations' victory:

(1) the evacuation of 300,000 British soldiers from Dunkirk;

(2) the defeat of the Luftwaffe by the R.A.F. in the Battle of Britain.

The others were:

(3) the resistance of the Russians at the gates of Moscow; and

(4) the entrance of America into the war.

The last two will be more important in the long run, but had it not been for the victories of the British at Dunkirk and in the skies above England, Americans would be taking their orders from Berlin's Wilhelmstrasse by now. Don't forget that.

THE PORTAGE MUTUAL INSURANCE CO.
THE SHIELD OF PROTECTION
EST. 1884
MUTUAL SERVICE
WITH SECURITY

HOME FRONT SECURITY

The valiant armed forces of this Nation need the fullest support from behind the lines. The Portage Mutual, with 58 years of achievement in helping to build and maintain Canadian economic strength, stands on a solid foundation and is serving faithfully by providing sound insurance so necessary to the war effort at home.

FIRE and WINDSTORM

The PORTAGE LA PRAIRIE MUTUAL INSURANCE CO.

PORTAGE LA PRAIRIE, MAN.
WINNIPEG, REGINA, EDMONTON

United States
Fidelity & Guaranty
Company
TORONTO

Before you insure...

consult

Confederation Life Association

How Do You Stand on Sharing Your Car?

Car Poolers Should Check Their Insurance Policies — Accepting a Fee for Taking Neighbors to Work May Nullify the Car Policy

Motorists carrying their neighbors to and from work, under a car sharing arrangement, will be well advised to ascertain just how they stand if an accident occurs and they are sued for damages.

There are two angles to be considered:

1. Their position as regards the laws of the different provinces affecting public liability for damages sustained by an automobile passenger.
2. The statutory conditions of the standard automobile policy which require the automobile owner or driver to observe certain conditions if he is to ensure the full protection of his policy.

Passenger Hazard Exclusions

The situation as regards legislation is of special interest in provinces like Ontario and New Brunswick which have laws excluding a guest or free passenger from making any claim against a motorist for injuries sustained in his car on the highway.

Other provinces, except Quebec and Prince Edward Island, require gross negligence to be proved before a claim will be valid. Quebec and Prince Edward Island lack special legislation giving protection to motorists in such cases.

Statutory Conditions

The statutory conditions of the standard automobile policy say that "unless permission is expressly given by an endorsement of the policy and in consideration of an additional stated premium, the automobile shall not be rented or leased nor shall it be used . . . as a taxicab, public omnibus, livery, jitney, or sightseeing conveyance or for carrying passengers for compensation or hire."

When a motorist is using his car to convey his neighbors to and from work he is wise to make sure that he is protected against any unexpected liability that may occur.

In some current arrangements the owner of a car charges a stated sum for driving his neighbors to and from work. Take for instance in Ontario between Toronto and Pickering or Malton or some other nearby towns. It is understood in some cases a man carrying five passengers charges $2 each a week. This gives him $10 in the week which probably allows him a moderate margin of profit. How does he stand under the provincial laws and his automobile insurance policy?

As far as the provincial laws are concerned it has previously been considered that a motorist not in the business of carrying passengers in his car could accept a moderate fee from passengers without incurring liability for damages the passenger might sustain, or nullifying his insurance policy. That was when the practice was limited.

Up to Judge and Jury

Whether a judge and jury would take the same view in case of an accident under conditions such as those outlined above is a matter of conjecture.

It is here the clause in the standard automobile policy outlined above comes in. Under it if the motorist has obtained permission from his insurance company and paid the additional stated premium required, he is protected.

Company Will Defend

The motorist who has complied with the conditions of the policy in this respect can turn the matter over to the insurance company who may then defend the case on the ground that the car was not operated in the business of carrying passengers for compensation.

A few companies might not be willing to give the additional permission required under the statutory conditions, even for an additional premium. In other cases the additional premium may vary considerably. It is understood that with the increase in the practice of motorists carrying their friends to work for a moderate fee, the extra premiums have risen in some cases to as high as $15 or $20.

It is claimed that motorists who propose to transport their friends to and from work even on a cost sharing basis would be well advised to consult their insurance company and get any necessary permission in writing.

Public Has $3 Billion in Banks

After Lending Government Over $2.4 Billions For War

Canadians have more money on deposit with the chartered banks than they had before the war began.

Total lendings by the public through war and victory loans are estimated at $2.4 billions while war savings certificates and stamps bought by the public have amounted to $167 millions.

Total public deposits with the chartered banks on July 31, the latest date for which figures are available, were over $3 billions compared with $2.3 billions on the same date in 1939, a month before war was declared, an increase of $700 millions.

The increase has been in demand deposits which have grown from $694.2 millions on July 31, 1939, to $1.3 billions on July 31, 1942.

People's Savings

Savings deposits are down very slightly. Government borrowings, it is understood, were drawn more largely from savings deposits than demand accounts. But in spite of this, savings deposits at $1.6 billions are down only $43.6 millions from 1939 and only about $100 millions from the high record level of $1.7 billions reached in January, 1940.

Falling sharply when each of the war and victory loans was offered, as investors withdrew savings for investment, savings deposits have swung back sharply each time, recovering in a few months practically all the withdrawals made to buy war loans. In addition, money borrowed from the banks to buy bonds has been repaid out of earnings.

This money would have in part at least gone to swell bank deposits had it not been used to pay off these loans.

Demand Deposits

Demand deposits while reduced on each occasion by investments in the government loans have come back smartly each time and over the three year period show an increase of almost 100%.

With another loan coming up in October the level of public deposits with the chartered banks indicates there is plenty of money available to ensure the government getting the amount required.

Savings Deposits in Canada
(Millions of dollars)
July 31

	1942	1941	1940	1939
Montreal ..	414.0	383.3	436.9	456.2
Nova Scotia	152.6	136.9	150.1	154.0
Toronto ...	93.5	78.9	87.0	86.4
Provincial .	42.0	36.3	35.8	40.1
Commerce.	321.6	287.0	317.0	330.5
Royal	343.2	308.8	328.5	340.3
Dominion .	78.6	71.1	75.7	78.8
Nationale .	106.5	94.7	91.8	104.8
Imperial ..	95.2	85.4	93.1	96.0
Barclays ..	5.9	6.1	6.4	9.9
Total	1,653.6	1,488.7	1,612.5	1,697.2

Demand Deposits in Canada
(Millions of dollars)
July 31

	1942	1941	1940	1939
Montreal ..	363.7	271.2	222.9	187.3
Nova Scotia	82.0	67.0	58.0	44.0
Toronto ...	60.9	52.9	47.6	33.4
Provincial .	13.1	10.6	8.1	7.3
Commerce.	253.8	192.6	166.0	150.9
Royal	392.0	280.1	235.8	171.8
Dominion .	66.1	41.3	36.3	32.7
National ..	48.1	35.4	30.2	25.7
Imperial ..	65.9	53.1	42.8	37.5
Barclays ..	5.7	4.7	3.4	3.3
Total	1,351.6	1,009.2	851.5	694.2
Total public deposits .	3,005.2	2,497.9	2,464.0	2,391.4

Free War Risk Cover Limited to Owner Equity

Home Owner Must Take Out Additional Insurance if he Wishes to Meet Claims of Mortgagee

Free war risk insurance compensation for a home owner is subject to two limitations:

1. An overall ceiling of $3,000.
2. His equity in the building.

In event of war damage to the building, the owner cannot collect more than his financial interest in it and in no case more than $3,000.

House Worth $5,000

Thus if the owner-occupier of the dwelling worth $5,000 has mortgage for $4,000, his equity is regarded as the $1,000 difference between the two amounts. That is the maximum amount of free compensation he can receive under the Act, even if the house is totally destroyed.

To be fully protected, the home owner should take out insurance for the full value of the house less the amount of free compensation provided, that is, $5,000 less $1,000, or $4,000. Then, if the house is totally destroyed he will recover his equity of $1,000 and be able to clear off his liability of $4,000 to the mortgagee.

The same thing would apply in the case of a more expensive house. Take one worth $20,000 on which there is a mortgage of $10,000. With the maximum free insurance $3,000, he needs to take out an additional $17,000 to be protected to the full value of $20,000.

Mortgagee Can Insure

In either case, if the owner of the house was unwilling to take out sufficient insurance to protect the mortgage liability, the mortgagee has the liberty to take out insurance under the Act to protect his interests.

Existing mortgage contracts, it is understood, give the lender no authority to force the mortgagor to carry this insurance. It is possible a clause to this effect may be included in mortgages to be made in future.

When a private individual who holds a mortgage on a house insures his interest in the dwelling, it is understood he can deduct the premium from his personal income as a business expense. The same thing, it is believed, would apply in the case of a corporation holding the mortgage, except that where excess profits tax applies, the deduction would be subject to the limitations set out in the regulations.

HIGH TAXES..

BUT WHY OVERTAX YOURSELF?

In these strenuous times you are probably glad to be relieved of as many burdensome details as possible.

If you would like to be spared the task of calculating your Income Tax and preparing your final Return, simply turn the matter over to us—we are well qualified to handle this for you, at very little cost.

All we need from you are a few essential facts and figures and we will do the rest—advising you of the payments that you are required to make.

Besides the time and annoyance that we can save you, our services may help you to avoid overpayments or the penalties resulting from underpayments—well worth the small fee involved.

You are invited to get in touch with us, at your earliest convenience.

FIRST QUARTERLY PAYMENT DUE 15th OCTOBER, 1942

THE ROYAL TRUST COMPANY
CORPORATE SECURITY — PERSONAL SERVICE

Offices across Canada from Coast to Coast

Bank of Montreal Appoints New Toronto Manager

Gerald F. Pearson has been appointed manager of the main office of the Bank of Montreal in Toronto, succeeding H. F. Skey who retires on pension.

Mr. Pearson for some time has been manager of the bank's main branch in Winnipeg. Previous to that he was assistant superintendent of Ontario branches and for a time was manager of the King and Yonge Streets branch in Toronto.

He will be succeeded as manager at Winnipeg by Ernest Jones, for some time senior assistant manager of the main branch there.

Mr. Skey has been with the bank 45 years, the last seven as manager of the Toronto branch.

Bank Reserves Show Increase

Deposits of the chartered banks with the Bank of Canada show an increase of about $14 millions, the statement for the week ended Sept. 16 shows. This increase in deposits is believed due to the chartered banks increasing their reserves against larger deposits. The chartered banks usually keep a reserve equal to 10% of their deposit liabilities in Canada.

Other deposits with the central bank generally were lower, the total deposits being down about $10 millions. Investments of the Bank of Canada were higher but miscellaneous assets were lower.

	Sept. 16 1942 $	Sept. 9 1942 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	613,757,427	606,954,602
Rest fund	5,585,705	5,585,705
Deposits: Dom.	18,168,699	35,109,121
Banks	231,736,574	217,614,345
Other	16,403,822	23,308,310
Total deposits	266,309,095	276,031,776
All other	10,724,246	13,896,874
Total liabs.	901,376,473	907,468,957
Assets:		
In Sterling & U. S. ..	929,980	1,032,330
Subsid. coin	218,322	268,303
Investments:		
Dom. gov. sh.	614,128,443	608,290,348
Other Dom. gov. ..	272,990,932	267,460,357
Total invests.	887,119,375	875,750,705
Premises	2,111,574	2,110,032
All other assets	10,997,222	28,307,587
Total assets	901,376,473	907,468,957

United Securities Ltd.—Approval has been given by the Quebec Superior Court to the scheme of arrangement which was approved by the bondholders' virtually unanimous vote. This is the final legal step and the way is now clear for distribution of the new securities.

Noorduyn Buys Group Policy

Contract Totalling Almost $7 Millions Taken With Sun Life

A group insurance contract with a life insurance coverage totalling nearly $7 millions, underwritten by the Sun Life Assurance Co. of Canada has just been completed by Noorduyn Aviation Ltd. It is believed to be one of the largest group insurance cases written in Canada.

The entire plan is most comprehensive and in addition to group life protection, also includes accident and sickness, hospitalization and surgical benefits. The group disability benefits are covered by the Travelers Insurance Co.

Of the 6,500 employees of Noorduyn Aviation nearly 100% have taken advantage of the plan which is contributory with the Noorduyn Co. paying a substantial share of the cost.

Labatt's Men Help Sell War Savings Stamps

Representatives of John Labatt Ltd., are giving voluntarily one week every month to the sale of War Savings Stamps in their communities. Incomplete reports of the first week's activity indicate the men have sold over 13,000 stamps. Each representative has undertaken to contact 75 retail stores in his territory and his objective is to have these merchants sell war stamps to the public. His efforts are directed by the local chairman of the War Savings Committee in his district. The whole field organization of the company is co-operating in the work.

Weekly Bank Clearings

	Sept. 17 1942 $	Change Year Ago %	Sept. 10 1942 $
Halifax	4,124,008	+12.8	3,473,908
Saint John ..	2,574,712	+20.5	2,383,727
Moncton	1,199,340	+6.1	937,417
Sherbrooke .	1,012,964	−16.8	808,534
Quebec	6,972,964	+41.2	4,743,654
Montreal ...	147,336,102	+9.4	109,827,625
Ottawa	42,439,683	+18.9	85,674,865
Kingston ...	823,016	+10.4	770,894
Peterborough	901,528	+24.9	641,660
Toronto	144,802,109	+1.2	91,715,907
Hamilton ...	7,410,000	+2.5	7,598,833
St. Catharines	1,614,933	+78.9	995,277
Kitchener ...	1,512,729	+10.2	1,055,509
Brantford ...	1,042,818	−2.8	876,102
London	3,098,813	+5.9	2,229,236
Chatham ...	626,079	+4.0	485,609
Windsor	4,883,961	+28.5	3,231,780
Sarnia	612,733	+7.7	368,101
Sudbury	1,098,144	+3.2	876,206
Fort William	1,088,983	+5.3	1,011,313
Winnipeg ...	46,831,967	−4.5	31,607,081
Brandon	549,048	+8.4	503,651
Regina	9,408,349	+66.6	3,600,941
Moose Jaw ..	915,854	+24.9	653,092
Saskatoon ..	1,853,771	+8.4	1,491,873
Prince Albert	546,257	+23.7	427,577
Edmonton ..	6,476,403	+6.1	5,189,999
Calgary	7,195,505	+13.0	4,954,680
Lethbridge ..	767,683	+29.5	575,496
Medicine Hat	486,834	+13.6	310,248
N. W'minster	1,003,419	+18.3	838,018
Vancouver ..	26,854,319	+32.8	18,152,511
Victoria	1,954,399	−5.4	1,662,654

Public Utility Earnings

Southern Canada Power

	1942 $	1941 $
August		
Gross income	279,874	266,734
Oper. expenses	85,072	80,390
Taxes	74,308	55,206
Int., deprec., & divds.	117,799	110,546
Net income	2,695	5,390
11 Months Ended August	$	$
Gross income	2,984,288	2,722,437
Oper. expenses	905,840	792,849
Taxes	677,343	611,444
Int., deprec. & divds.	1,286,334	1,260,175
Net income	113,771	57,969

Importance of Prospecting Stressed to Underwriters

The importance of prospecting in agency work in the life insurance business was stressed by Beatrice Jones, C.L.U., to the Life Underwriters Association of Toronto at their opening meeting for the 1942-43 session recently.

Miss Jones, who is past president of the New York City Life Underwriters Association, is the first woman ever to address a luncheon meeting of the Toronto Life Underwriters.

A prospecting bureau, she indicated, could be a great help to the sales force in a company. Combined with the training given by the Chartered Life Underwriter course, she saw it ensuring success in the field.

Staff Changes

The Royal Bank of Canada announces the following staff changes:

H. W. FRASER, manager, St. Clair & Crang, Toronto, to be manager, Burk's Falls, Ont.

A. R. HUESTIS, office of assistant general manager, Toronto, to be manager, Oshawa, Ont.

J. R. HARRIS, manager, Oshawa, to be assistant manager, Toronto.

R. H. BAKER, accountant, Kentville, N.S., to be accountant, Charlottetown, P.E.I.

H. BOWER, assistant accountant, Moose Jaw, Sask., to be accountant, Prince Albert, Sask.

G. E. CARROTHERS, to be accountant, Hamilton, Ont.

E. S. HIGHSTEAD, accountant, Sarnia, Ont., to be accountant, London, Ont.

K. D. JOHNSTON, accountant, Yonge & College, Toronto, to be accountant, Sarnia, Ont.

J. P. R. SAUVE, to be accountant, St. Johns, Que.

C. H. SPRICK, assistant accountant, Port of Spain, Trinidad, to be accountant, Georgetown, British Guiana.

W. A. POPE, Toronto, granted leave of absence to engage in military service.

R. I. C. PICARD, of Windsor, Ont., granted leave of absence to engage in military service.

Company Reports

American Cyanamid

American Cyanamid Co. reports net profits for the six months ended June 30, 1942, of 69 cents a share on its combined A and B stock against 91 cents a share for the corresponding half of 1941.

Income Account
6 mos. ended June 30

Operating profit	14,418,221	11,335,211
Add: other income ...	643,190	462,691
Total earnings	15,061,411	11,797,902
Deprec. and deplet. ..	2,539,654	2,418,401
Interest & amort.	432,959	205,252
Income and E. P. tax	7,767,004	4,562,592
Res. and develop exp.	1,732,793	1,518,895
Conting res.	500,000	500,000
Net profit	2,089,001	2,592,762
Less: Pref. dividends	276,692	213,714
Avail. for com.	1,812,309	2,379,048
Earned per share:		
Preferred	1.89	3.03
Paid	0.25	0.25
Classes A and B	0.69	0.91
Paid	0.30	0.30

National Steel Car

Reflecting a further expansion in volume of business handled, National Steel Car's financial statement for the year ended June 30, 1942, shows a gross income of nearly 4.9 millions, as against $3.6 millions the year before. Substantially higher provision for depreciation, left net profit at $1,182,689 or $6.73 a share. This contrasts with $1,061,844 or $6.05 a share in the preceding year.

The increased scale of operations is reflected in the balance sheet which reveals a relatively large increase in accounts receivable and payable, as well as a bank loan of over $1.8 millions. Heavy capital expenditures resulted in boosting the value of fixed assets by over $2.7 millions to just under $13 millions.

Income and Surplus Account
Years Ended June 30

	1942 $	1941 $
Operating profit	4,871,567	3,645,073
Add: Other income ..	5,714	1,953
Total earnings	4,877,281	3,647,026
Less: Exec. remuf. ...	83,940	83,940
Directors' fees	7,521	3,735
Legal fees	29,484	28,938
Depreciation	2,356,491	1,140,559
Income & E. P. tax.	775,000	750,000
Spcl. depreciation ..	442,156	578,015
Net profit	1,182,689	1,061,844
Less: Common divds. .	351,000	333,174
Surplus for year	831,689	728,670
Add: Prev. surplus ..	3,200,793	2,472,123
Earned surplus for'd.	4,032,482	3,200,793
Earned per share:		
Common	$6.73	$6.05
Paid	2.00	2.00
Working capital	3,366,865	2,950,546

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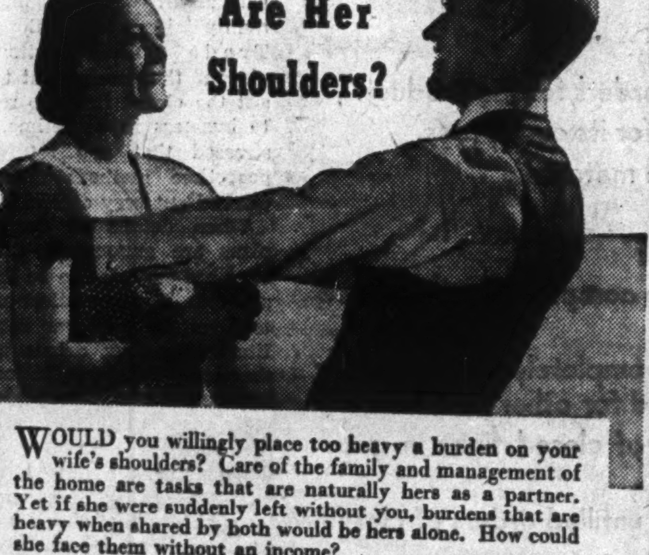

How Broad Are Her Shoulders?

WOULD you willingly place too heavy a burden on your wife's shoulders? Care of the family and management of the home are tasks that are naturally hers as a partner. Yet if she were suddenly left without you, burdens that are heavy when shared by both would be hers alone. How could she face them without an income?

There is a way to make sure that she would not have the added, crushing responsibility of earning money to provide the family with food, clothing and shelter. It is to put as much of your income as you can into Life Insurance and to increase the amount as your circumstances permit.

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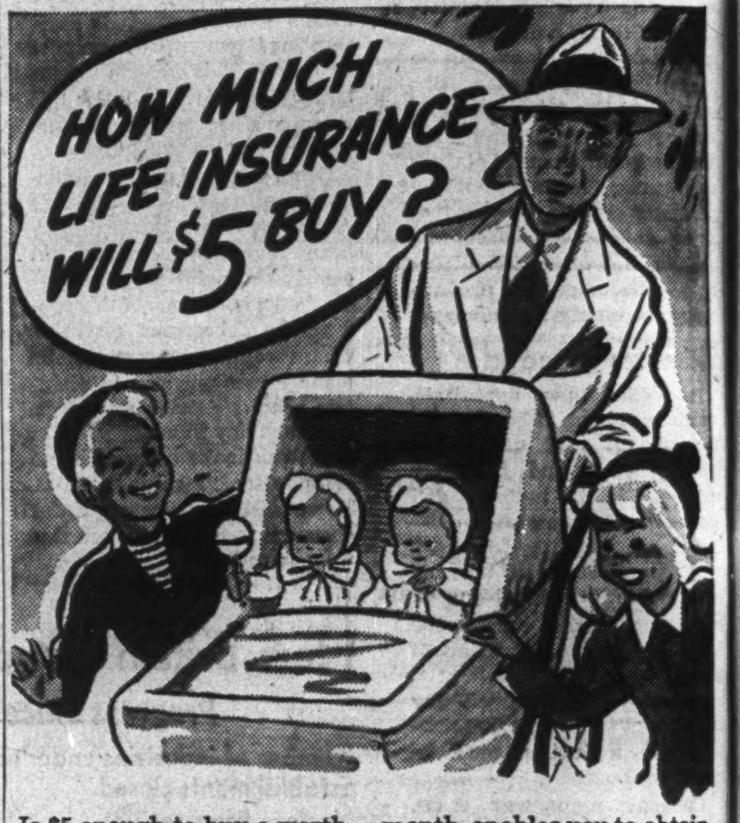
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London Calling

by Adelphi

LONDON.—The British Parliament is in trouble. In a war it is inevitable that all established institutions come under waves of criticism and Parliament has not escaped its share. The Englishman's attitude toward the House of Commons is paradoxical. If he is a wit at the local pub he likes to refer to it as "the talking shop" or "the gas works." At public meetings the local controversialist seeks to gain a passing notoriety by suggesting that Parliament should shut down for the duration of the war. Dreamy-eyed and dreamy-minded reformers are constantly complaining that the party system is out of date and that it should be done away with.

A visitor from Mars or a German spy might well imagine that the British Parliament is an institution that has run its course. Nothing, however, could be further from the truth.

The British people love their Parliament. They are impatient and bored whenever the House is not sitting, because the debates at Westminster overflow into the clubs, the cottages, the castles and the inns. Many gibes are made at M. P's. in general and yet it is the ambition of almost every man to become one. The people know that with all its faults and failings Parliament stands as their protector, as their advocate, as their guarantor.

• • •

Prestige Pummelled

And yet, such is the irony of things that it was left to Parliament itself this week to inflict the worst blow which its prestige has yet received.

Churchill had been to Russia. For something like seven weeks he had addressed no word either to the House or to the country. It was announced that on Tuesday of this week Parliament would reassemble from its short recess and that Churchill would make a comprehensive statement. The House was crowded to hear him. The peers were in force, so were the ambassadors (with Maisky as the star) so were the public and so was the membership of the House itself.

On account of blackout, Parliament met in the morning and normally Churchill would have started his speech at about ten minutes past noon. However, he had to pay the traditional tribute to the memory of the Duke of Kent. He did it with a fine sincerity and sense of history—and his tribute was followed automatically by the Leader of the Socialists, the Liberals, and the I. L. P. This meant that Churchill did not begin his war speech until 12.30 p.m.

I had heard that he was suffering from laryngitis, and as a matter of fact he was in considerable pain. There was, however, not the slightest evidence of this. He looked healthy, cherubic, and confident. What is more, his voice rang out with a fine metallic timbre. Instead of having undertaken that hazardous and controversial visit to Cairo and Moscow he might have just returned from a month at the seaside.

Churchill is a master of language and a master of style. This is both advantageous and disadvantageous. When he makes a prepared speech he is rather like the composer who definitely establishes his motif and his mood, and does not depart from them.

On Tuesday, therefore, the House realized in a few minutes that Churchill had pitched his speech in a key of measured optimism. He had spent hours of preparation in surveying the whole strategical scene and had come to the conclusion that things weren't going badly. He had taken infinite care to make his speech word perfect but with the motif of measured optimism almost any competent politician could forecast what would be unfolded.

• • •

Hungry Hearers

Churchill left the Moscow part until the last and did not reach it until half past one. Unfortunately that is the recognized hour for luncheon (although the House does not adjourn for meals) and many M.P's. had made luncheon engagements thinking the Prime Minister would be finished by that time. Obeying the pangs of hunger, or keeping their social engagements, the trek from the Chamber started. We saw the astonishing and unedifying spectacle of some fifty M.P's. leaving in a steady stream while the Prime Minister was giving his account of the Moscow conference.

That was bad enough but worse was to follow. When Churchill finally finished at about 1.50 p.m., the House rose almost in a body leaving some twenty odd M.P's. to listen to Mr. Greenwood, speaking as the Socialist Leader. A count was demanded and as there were less than the necessary 40 members present there was a motion to count the House out. This was defeated by the whips who gathered reinforcements from lunch rooms, but as soon as the division was over the M.P's. went back to their unfinished meals.

Even then the sad tale was not finished. When the M.P. who was on his feet sat down there was no one else who wanted to speak. Two days had been allotted to the debate and in something like two hours it had collapsed.

• • •

Cripps Gives Tongue

At this Sir Stafford Cripps, in capacity of Leader of the House, decided to give tongue. He said that it was impossible for the House of Commons to carry on its proceedings with appropriate dignity if M.P.'s took so casual an attitude. Members of Parliament had their duty to perform just as much as soldiers in the front line. In short, Cripps charged his flock with being shirkers and absentees.

Naturally the newspapers leaped to the story and the whole country seethed with indignation, as did the M.P.'s who had been castigated. In the 1922 Committee which comprises the private Tory Members there were rough things said about Cripps. Since when had M.P.'s to make speeches merely to fill in an unnecessary schedule arranged by whips? Since Churchill's speech had satisfied Parliament why should a debate take place in which damaging things might be said merely because something had to be said?

The Socialists were equally indignant and Cripps came in for a great verbal pummelling. It is only fair to admit that while part of the heat was generated from a sense of outraged innocence it also gathered steam from a secret sense of guilt.

• • •

Naturally, a crowded House assembled the next day but tempers had not subsided. Emanuel Shinwell, who has made himself the leading opponent of the Government said very harsh things to Cripps who, however, refused to recant.

Aneurin Bevan, the ex-pit boy and now the arch-exhibitionist of the House belabored Churchill in a speech of limitless effrontery, provoking the biting comment from the Prime Minister that "The Hon. Gentleman is a merchant of impertinences." Randolph Churchill kept popping in and out of the House as if he were trying to organize a charge of the Heavy Brigade to rescue his father and there was much ado.

Winston Wins

Quite definitely it was an unhappy and unfortunate week. The one man who came out of it well was Winston Churchill who kept his head and refused to associate himself with the epidemic of reproaches and counter reproaches. The blow to Parliamentary prestige has been severe. M.P.'s are a privileged section; the only privileged section in the country. None of the compulsory edicts as to work or service apply to them. Each M.P. is allowed to take his own decision although it is only fair to say that more than 100 of them have joined the colors. But the institution which urges longer hours and harder work in the factories has cut a sad figure and the lash of public opinion will not be sparing.

It will probably advance the date of the next general election. I am very much afraid that when the people do go to the poll there will be a heavy casualty list among the present members—which will not be wholly fair for this Parliament has done much good work in the war.

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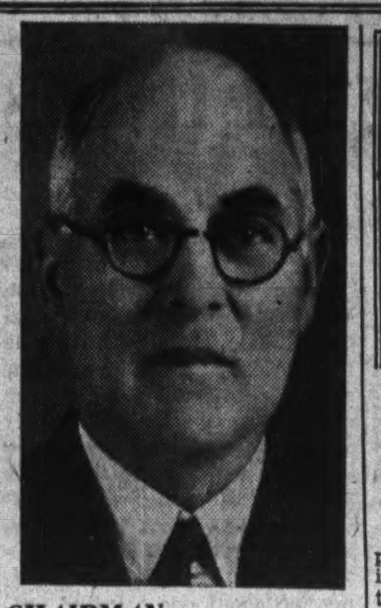

CHAIRMAN

Samuel G. Porter, manager of the Department of Natural Resources of the Canadian Pacific Railway at Calgary, has retired to the chairmanship of the advisory committee, succeeding P. L. Naismith. He joined the staff of the C. P. R. in the Department of Natural Resources in 1918 and has been manager since 1927.

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Agnew-Surpass

As a subscriber to The Financial Post, would you be good enough to let me have your opinion on Agnew-Surpass common stock.

Agnew-Surpass Shoe Stores Ltd.'s position has undergone a marked improvement over the last two or three years. Gross sales in year ended May 31, 1942, reached the record figure of over $5.1 millions.

Net profit available on the common stock amounted to $2.52 a share; the highest ever reported. The marked improvement in employment conditions, together with government contracts, has brought a very considerable increase in volume of business to shoe manufacturers.

In particular Agnew-Surpass has benefited and through its chain of retail stores, numbering 79, the company has done very well. This is reflected in an increase in the dividend from 60c. a share in 1936 to $1 a share currently, while over the same period, the net working capital has improved by around 40% to $1.4 million.

Canada Northern

Would you be good enough to let me have your views on the common stock of Canada Northern Power Corp., which I noted is now selling at around $4 a share.

Canada Northern Power Corp.'s position has shown a moderate recession this year. For the first seven months, gross income was off 8.79% while net earnings declined 1.16%. However, the returns do not make any provision for income and excess profits taxes, which, being higher than last year, would result in a further decline in net revenue.

Last year, earnings on the common stock amounted to 61c. a share, as against 97c. in 1940. As a result, dividends were reduced from $1.08 to 80c. a share. The company's operations are centred in the gold-mining areas of northern Ontario and northwestern Quebec. The outlook for the gold-mining industry is somewhat indefinite and the same applies to Canada Northern Power Corp.

Asbestos Corp.

Do you consider Asbestos Corp. has reasonable war and after-war prospects? The latter is of greater interest, providing the impact of the new taxes is not unduly harmful.

Though Asbestos Corp. Ltd. has lost many of its foreign markets, development of other markets has enabled the company to keep its operations and earnings at a comparatively high level. Sales for the current year to date are reported slightly better than in the corresponding period of last year. Prospects for the whole year indicate a fair improvement, with earnings sufficient to cover the present dividend rate.

The war, generally speaking, has not been beneficial to the company and the fact that it has been able to maintain its position over the last three years is regarded as encouraging for after-war prospects. Financially, the company is in a strong position and while the new taxes are expected to keep down net profits, still it is to be expected the company's financial position will undergo further strengthening.

Another new low point in the value of listings on the Montreal Stock Exchange and Montreal Curb Market was recorded at the end of August when the value stood at $6,020 millions. The July figure was $6,040 millions, while that for Aug., 1941, was considerably higher at $7,117 millions.

Your Income Tax

Payments of income taxes collected at the source have now started. In this weekly column, The Financial Post answers problems you may have in connection with your income tax. In some cases, rulings have yet to be made, hence The Post can only cite informed opinion.

Army Pension

I am a retired officer of the Canadian permanent military forces and receive a pension for my years of service which include service in the last war. Is my pension free of income tax?

No. It is understood unless the pension is in respect of disability received in the last war or this one, it is taxable. Pensions of war widows are exempt, it is understood.

• • •

Exemption Over 65

I notice individuals over 65 years of age whose annual income is less than $5,000 are exempt the compulsory savings portion of the new income tax. I am over 65 years of age, but my income in 1942 will amount to $5,025. As my income is just slightly over the $5,000 mark, do you think the income tax authorities will allow me the exemption?

No. The amendments to the income war tax act specifically state that this exemption applies in cases where the income is less than $5,000. It is to be noted, that to qualify for this exemption, the taxpayer must pass his 66th birthday before the close of the taxation year for which exemption is claimed.

• • •

Married Couple Working

When a husband and wife each have an income exceeding $660 a year, how are they taxed and to what exemptions or allowances are they entitled?

If the wife's income is derived from investments and not earned, each is taxed as a single person. If the wife's income is earned, the husband is taxed as a married man and the wife as a single person. Accordingly the husband will pay normal tax at the 7% rate. On his graduated tax he is entitled to deduct $150 from the amount payable. If there are any children, either parent, but not both, may claim the allowances for dependents, under normal tax and graduated tax, $28 and $80 respectively.

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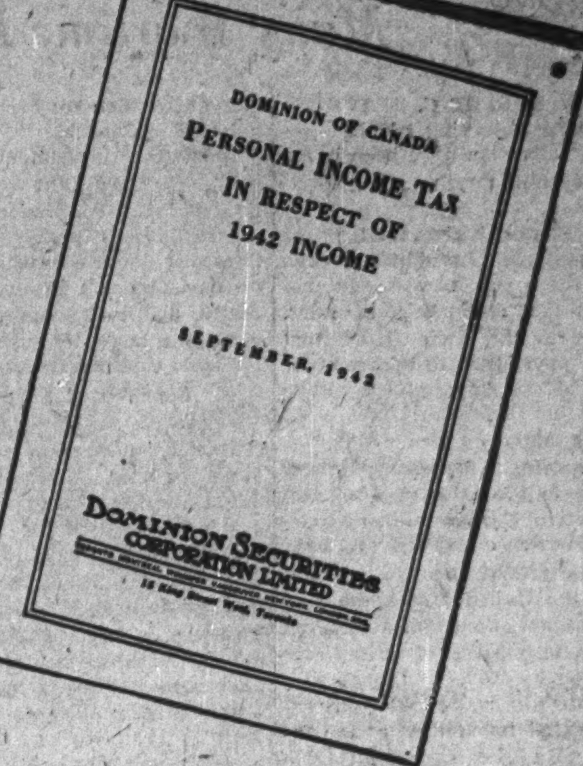

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Liquor Stocks Meet Changing Times

Many Wartime Developments Have Bearing on Distillers

By ROBERT C. STARK

Events deserving of close investor attention have been piling up recently on the liquor companies.

In Canada, higher retail prices for liquors brought through imposition of new taxes has brought a slackening in sales. Those in the trade figure that when payroll tax deductions take their bite this month there will be a further adverse influence on liquor sales.

According to Munitions Minister Howe half of the total alcohol output in Canada is being purchased from distilleries and used for war production.

In the United States, the War Production Board has ordered complete cessation of whisky production by Nov. 1. Liquor consumers will be served from accumulated inventories as the industry switches over entirely to industrial alcohol production for war purposes.

These developments are plotted against a background of rising sales volume and improving profits. Volume has been the answer to the distillers' profit question during the past few years for profit margin has shown a steady and substantial decline. Typical is the record of Hiram Walker-Gooderham & Worts and Distillers Corp.-Seagrams which show net profit expressed as percentage of sales as follows:

Fiscal Years:	Profit Margin Walker's %	Seagram's %
1941	6.7	6.0
1940	7.8	9.4
1939	7.7	7.8
1938	9.3	8.9
1937	10.1	9.1

Jump in Seagram's profit margin in 1940 goes officially unexplained, but one reason might be the very heavy sales of the July, 1940, quarter, as customers bought ahead of a new tax. This heavy demand may have tended to wipe out the price cutting and rebating, which periodically afflicts the industry in the United States, particularly in the New York area.

Talk Canadian Conversion

To what extent Canadian distillery operations will be switched over to production of war alcohol cannot yet be measured. Some production will go to help make synthetic rubber while, as already noted, 50% of output is going for war. Word from Ottawa recently was that, while conversion of Canadian distilleries into the production of war alcohol only has been under official consideration, no final decision has been reached. Increased prohibition discussion has been recently heard in Canada.

From the investment standpoint, the important consideration so far as conversion is concerned is that profits of most Canadian liquor companies hinge on developments in the United States, and that there is in inventory a stock that should last for some considerable time.

Four Years' Supply

Stocks of whisky on hand are estimated sufficient to meet four years' demand. Where the pinch might enter is the fact that neutral grain spirits, used for blending, are estimated at only 18 months' supply. This means that distillers specializing in blends and gins will be affected sooner than others. At the moment this would appear most directly to concern Distillers Corp.-Seagrams which does a large percentage of its business in blends. However, it is understood that this company has nearly two years' supply of grain neutral spirits on hand so that this is not, at least, an immediate problem. Hiram Walker is a leader in gin sales in the U. S.

Should the ban on new production last for a couple of years, however, there may be something of a scarcity of matured liquors after the war as inventories are accumulated.

Earnings Better

Fiscal years of Walkers, Seagrams and Canadian Industrial Alcohol have recently ended and indications are that when the annual reports are forthcoming, substantial improvement over the previous year will be shown. In the nine months ended May 31, Walkers reported a net profit of $6.40 a common share, compared with $5.94 for the same period of 1941. In the nine months ended April 30, Seagrams turned in a net profit of $4.95 a common share against only $1.90 in 1941, reflecting easing of price war troubles. In the nine months ended May 1, Canadian Industrial Alcohol reported a net profit of 41 cents a share compared with 28 cents a year ago.

The price war evil in the United States has been fully recognized and there is reason to believe that the problem will become decreasingly serious. There has been a trend toward having the smaller, weaker members of the industry absorbed by larger units which helps to strengthen the marketing position. With all American producers now selling out of inventory there appears to be little reason for a price war which ordinarily has its roots in surplus production.

Better Profit Margins?

This condition should tend to improve profit margin ratios as rebates to dealers should be reduced. There may also be some saving in selling expenses.

On this basis, profits of distilling companies for the duration would make a satisfactory showing. One element of uncertainty, however, is that of demand. Expanding national income has pushed liquor sales sharply higher since the start of the war but imposition of new personal income taxes may bring a reversal of this trend. There are already indications that this has occurred in Canada. It is therefore important that personal income tax levels in the United States be watched for a possible reflection in sales of liquor. The importance of conditions in the U. S. to Canadian distillers is indicated by the fact that around 90% of Walker's total sales and 95% of Seagram's sales are made in the American market.

Inventories Expand

The accompanying table will show some common trends among the companies in which Canadian investors are interested. Noteworthy is the expansion in inventories; at Aug. 31, 1941, Walkers reported some 70 million gallons of spirits in store, Seagrams is unofficially reported to have around 90 million gallons. Bank loans have increased partially as a result of carrying heavier inventories, and partially because an increase in sales and in U. S. Federal excise tax has necessitated an increase in accounts receivable.

Following are some pertinent facts concerning the five principal distillers in which Canadians have an investment interest:

Hiram Walker-Gooderham & Worts Ltd.—Operating the largest and most modern distillery in the world at Peoria, Illinois, the company enjoys low production costs. Brands are about equally divided among straight whiskies, Canadian whiskies which contain 30% neutral spirits and blends which contain about 70% neutral spirits. It is the leading manufacturer of gin in the U. S., accounting for about one third of total sales there. Among the Canadian whiskies made by Walkers, perhaps the best known is its quality brand "Canadian Club." Biggest sellers are "Ten High" and "Walker's De Luxe," both rye whiskies made for the American market. "Imperial," an American blend, has been gaining considerable popularity of late. The company manufactures 41 principal brands of whiskies, gins, cordials and cocktails, of which 32 are available in the U. S. market and 19 in the Canadian market, some being sold in both markets.

Distillers Corp.-Seagram handles about 20% of total liquor sales in the United States, being the largest operator in the industry. The increasing trend toward blended whiskies in the American market has favored Seagrams as it leans toward this type of product. The company manufactures some 39 brands of Canadian, Scotch and American whiskies and gins. Leading brands are "V.O.," a Canadian rye, and the American blends "Five Crown," "Seven Crown," "Calvert" and "Carstairs."

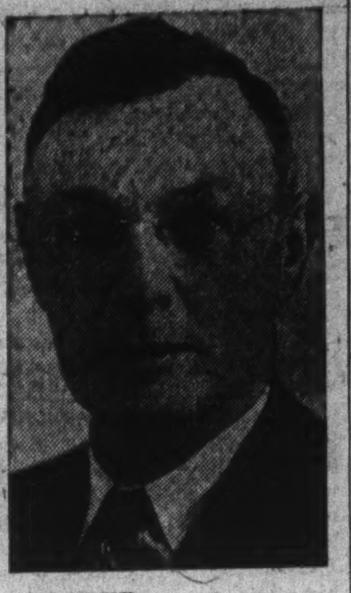
Canadian Industrial Alcohol ceased production of American type whiskies some time ago but continues the manufacture of several brands of Canadian rye, Canadian Scotch and gin. A wide range of industrial alcohol products are also sold.

Melchers Distilleries Ltd. is best known for its production of Geneva gin and dry gin. These are marketed under the names "Melchers Gold Cross Finest Canadian Geneva Gin" and "London Club London Dry Gin." The company also markets Scotch type whisky.

United Distillers of Canada Ltd. is a holding company with the most important subsidiary being United Distillers Ltd. at Vancouver, B.C., which distills American rye, American bourbon, Canadian rye, London dry gin, and also blends and bottles Scotch whiskies.

SALIENT LIQUOR COMPANY FACTS

Company		Net profit	Dividends	Earned Surplus	Working capital	Inventories	Bank loans
		$000					
Hiram Walker-Gooderham & Worts	1941	6,921	3,456	16,761	36,941	34,753	9,478
	1940	6,065	3,456	13,296	33,406	30,388	1,100
Year ends Aug. 31	1939	5,295	3,430	10,687	29,404	28,076	3,044
Distillers Corp.-Seagrams	1941*	8,110	4,303	37,145	53,999	50,116	23,516
	1940*	9,716	4,217	33,527	48,185	41,332	12,000
* U. S. funds	1939	6,366	4,317	28,367	44,594	41,663	7,500
Year ends July 31							
Can. Industrial Alcohol	1941	383	277	1,406	4,019	2,861	110
	1940	220	166	1,240	3,746	3,728	610
Year ends Aug. 31	1939	212	111	1,154	3,439	3,584	264
Melchers	1941	86	75	113	673	868	175
Year ends Dec. 31	1940	85	37	141	646	640	125
	1939	77	75	94	587	580	90
United Distillers	1941	56	..	133	677	679	148
Year ends Sept. 30	1940	38	..	86	566	898	225
	1939	44	..	47	510	949	202



MANAGER

Augustus Griffin has been promoted manager of the Department of Natural Resources of the Canadian Pacific Railway. Mr. Griffin joined the department in 1918 at Brooks, Alta., and for the past year has been assistant manager of the department, executive branch, at Calgary.

Salmon Pack For 1941 Totals Over $20 Millions

Over-all B. C. Fish Production Topped $31 Millions Last Year, With Herring Showing Immense Gain Over Pre-war

From Our Own Correspondent

VANCOUVER.—Now that the returns have all been tallied, British Columbia fishermen and fish packers can look back on 1941 as a record-breaking year, as the year when the salmon pack alone was worth more than $20 millions.

Over-all production of the fishery industry last year was valued at $31.7 millions, representing an increase of $10 millions over 1940.

Salmon production was valued at some $7 millions more than in the previous year, and the canned herring industry, which brought a return of $4.6 millions, rose from virtually nothing before the war.

Britain's need to replace the fish supplies of the North Sea and Scandinavia and Spain resulted in revolutionizing the British Columbia herring industry, and now that it has been placed on a profitable basis it may continue to yield important revenue for generations.

The total pack of canned herring last year was one million cases, representing nearly 80% of all herring revenue, the balance being from meal and oil.

Third and fourth, respectively, among the commercial fish returns, were halibut, valued at $2.1 millions, and pilchards, $1.7 million. Halibut is marketed chiefly fresh, while oil and meal are the principal products of the pilchard fishery.

Average prices per hundredweight of fish paid to fishermen for the principal kinds of fish were higher: Salmon, $6.01, compared with $3.84 in 1940; herring 39 cents, compared with 35; halibut, $12.36, compared with $9.75; pilchards, 50 cents compared with 45.

Capital equipment employed last year totalled $29 millions, as against $24 millions in the previous year. More than 18,000 persons were employed.

Cotton Operations Easier in August

From Our Own Correspondent

MONTREAL. — Cotton textile mills experienced a contraction in operations last month. There was 37,266 bales of cotton opened, a decline of 4,600 bales from the previous month. However, in the more important comparison with August last year, the returns last month were somewhat better; in fact, the highest for any August on record.

For the first eight months of the year, 334,705 bales were opened, an increase of 3.9% over the like period of 1941

C. N. R. Income At Record Level

From Our Own Correspondent

MONTREAL.—Reflecting the continued broad expansion in operations, net operating income of the Canadian National Railways in August reached the record-breaking figure of nearly 8.2 millions, an increase of 58% over that reported for the same month in 1941.

Operating revenues last month jumped $8.6 millions to $34.4 millions. All but $3 millions was absorbed in larger expenses.

The remarkably good showing in August boosted cumulative returns. To the end of last month the system has had a revenue this year of $236.9 millions, a gain of $43.8 millions over the same period last year. After providing for an increase of $32 millions in expenses, net operating income totalled $53.9 millions. This represented an increase of 28% over the same period a year ago.

August	1942 $	1941 $
Oper. revenues	34,419,000	25,808,928
Oper. expenses	26,241,341	20,637,196
Net revenue	8,177,659	5,171,732
Aggregate to Aug. 31		
Oper. revenues	236,967,000	193,179,858
Oper. expenses	183,038,324	150,983,604
Net revenue	53,928,676	42,196,254

Abitibi Net Shows Drop

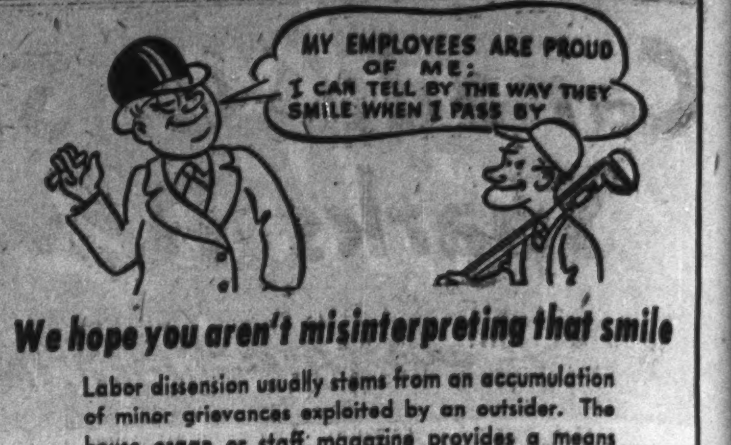
Monthly earnings of Abitibi Power & Paper Co. for August at $575,345 compare with $866,139 for the same month last year and $507,745 for July this year. This August's earnings include $124,443 received as premium on U. S. funds but are before providing depreciation, bond interest of $259,498, and income and excess profits taxes.

This marks the sixth successive month to show decline below last year. The eight months' total earnings this year amounts to $5.5 millions, 0.69% above earnings reported for the same portion of 1941.

Estimates of newsprint shipments for September suggest that another drop in earnings will be reported as compared with last year although results should be well above those for August.

Monthly Earnings	1942 $	1941 $
August	575,345	866,139
8 months	5,528,583	5,490,423
Newsprint Shipments	1942 Tons	1941 Tons
August	29,208	38,937
September	*33,000	44,399
9 months	295,530	318,173
Pulp Shipments	1942 Tons	1941 Tons
August	5,636	9,619
September	*8,000	12,820
9 months	86,007	70,397

*Estimated.


MY EMPLOYEES ARE PROUD OF ME; I CAN TELL BY THE WAY THEY SMILE WHEN I PASS BY

We hope you aren't misinterpreting that smile

Labor dissension usually stems from an accumulation of minor grievances exploited by an outsider. The house organ or staff magazine provides a means whereby these little grievances can be brought out and remedied in time. It also provides the management with a means of presenting its side of the picture to labor.

Encourage the loyalty of your workers with an employee paper tailor-made to solve your problem. Somerville House Magazine Dept. men are trained for that job.

Write for a copy of the Somerville LINK

Employee Magazine Dept.

SOMERVILLE LIMITED
PACKAGING DISPLAYS
LONDON · TORONTO MONTREAL · WINDSOR
OFFSET AND LETTERPRESS PRINTING · A COMPLETE MARKETING SERVICE

A Complete Service for Management-Labor Harmony.

PROTECTION
for your employees
AGAINST LOSS
through
•DEATH
•ACCIDENT
•SICKNESS

MORE and more employers are turning to group insurance in making adequate provision for their employees' welfare.

To meet today's need, the Great-West Life offers complete Group Insurance coverage which provides death benefits and accident and sickness benefits . . . and for the employee's dependents, as well as himself, hospitalization and surgical fees.

In the time of misfortune, it solves both the employer's and the employee's problem. It makes for peace of mind and better plant operation. It is economical and business-like.

Let a Great-West Life man show you how a Group Insurance plan can be fitted to meet the individual needs of your business.

THE
GREAT-WEST LIFE
ASSURANCE COMPANY
HEAD OFFICE: WINNIPEG

Mr. Executive,

It's Your Job to Make the Plans

Let those with no responsibility for the future argue: "Don't cross a bridge until you come to it."

As an executive, it has always been your function to look ahead, to plan, to take the necessary steps to ensure that your organization will hold its position in the face of all obstacles.

More important than ever is this today. Not only the future jobs of your own people will depend on your planning, but all those returning from the battle front will be looking to industry and to business for employment.

You can't promise them jobs tomorrow unless you can be certain of sales tomorrow — and sales depend on continuing goodwill.

Such foresighted planning need in no way affect the immediate task of increasing production and winning the war.

Many Canadian firms today are using "sustaining" advertising to help bridge the gap from war to peace and to ensure their future, and the future of their employees in the brighter world of tomorrow.

When the guns cease to roar, will your firm be ready to face the peace?

If you are seeking a copy theme, ask to see "The Gallery of Sustaining Advertising," a collection of outstanding advertisements that have appeared in British, Canadian and American periodicals during the past year.

CHATELAINE and MACLEAN'S MAGAZINE
481 UNIVERSITY AVE., TORONTO
MONTREAL LONDON, ENG. NEW YORK CHICAGO

Canada-U. S. Partnership Sparks Drive to Victory

"It was agreed as a general principle that in mobilizing the resources of this Continent, each country should provide the other with the articles which it is best able to produce and, above all, produce quickly, and that production programmes be co-ordinated to this end."

This policy — the "Magna Charta" of U. S.-Canadian wartime trade—was laid down in the Hyde Park agreement of April, 1941. It forms the solid foundation for "dovetailing" the two economies in a maximum war production effort. Abolition of tariffs on war goods, "pooling" of resources, setting up the Joint Canada-United States War Production Committee—all these testify to the earnestness with which the policy is being pursued.

No less than ten joint technical sub-committees are charged with originating and developing programme to co-ordinate war production of the two countries. Material co-ordinating and Joint Economic Committees extend U. S.-Canadian co-operation even further. Allied War Supplies Ltd., a Canadian Crown Company, was organized in May, 1941, "to negotiate and receive orders from departments of the United States Government for war supplies to be manufactured in Canada."

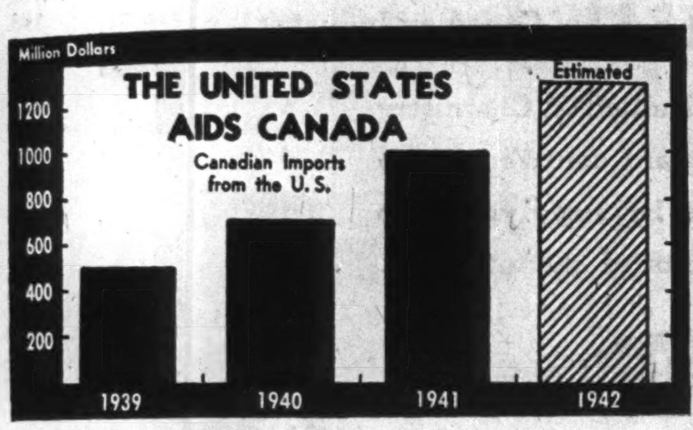
A three-fold increase in Canadian war production and a four-fold increase in United States war production this year is stated to have only been possible through the close co-operation which has reduced international formalities to a minimum.

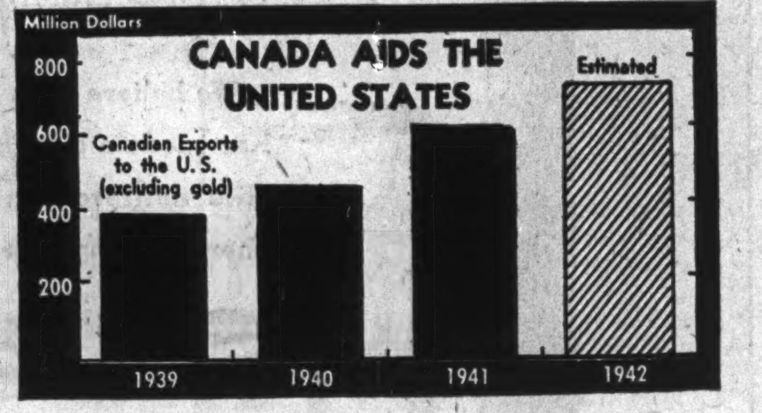
As one of the world's greatest raw material producers, Canada's contribution to the United States has been chiefly in raw materials. But to an increasing extent, munitions and finished war products are also being provided for forces south of the line. Ingenuity in turning to war manufacture has been such that "the American Government has sent in to our plants their own technicians to study the methods adopted," a report on Gun Production made to the House of Commons recently revealed.

With a more mature industrial development than Canada, the United States is providing us with war materials we could hardly produce on an efficient scale ourselves—or which we could only produce here after considerable delay. The majority of items we import from the United States are in this category.

Co-operation has removed much duplication of production facilities. In dollar value, material supplied by the United States has exceeded aid from Canada but both flows of material are essential to regular working of each economy. Net aid from Canada to Britain is at least twice as great as Canada receives from the United States.

Canadian-United States mutual aid has many common meeting grounds. Here is a classic example, a Hurricane fighter—product of co-operation of three great countries. Plans came from the United Kingdom, the motor came from the United States while Canada built and assembled the plane.





Raw Materials

Steel

Although Canada's production of steel has been expanded perhaps 50% since outbreak of war, further steel supplies have had to be purchased in the U. S. to keep our war effort on schedule. Steel plates and frames from the U. S. will allow completion of several hundred thousand tons of merchant shipping on schedule this year.

Chemicals

With perhaps the greatest chemical industry in the world, the United States has been able to provide Canada with many specialized products it would not be economic for us to produce ourselves.

Molybdenum

The United States produces 80% of world's output of this most strategic raw material — it takes the place of tungsten in machine tools. Canadian requirements of this metal are being chiefly met from U. S. sources.

Cotton

An important raw material in peacetime, cotton is even more important in wartime. Canada gets most of her supplies from the States, pays for part indirectly by shipping some textiles back.

Coal

With electric power supples being fully utilized, coal has become of new importance in the power field. Greater quantities of coal are being used in Canada than ever before. In central Canada most of it comes from the United States.

Iron Ore

Canada produces a relatively small percentage of her iron ore requirements. Some comes from Newfoundland but we depend on the United States for the bulk of our supplies. Domestic iron ore sources are on the point of further development and further increases in requirements may be met at home.

War Equipment

Aircraft Engines

Dominion authorities have considered it good business to purchase our airplane engines in the United States rather than to make them at home. Time would be required to build plants and to train men needed in other industries. Even then we would not be producing the variety of engines we would require. As it is, we get the advantage of U. S. low mass production costs.

Machine Tools

Imports of machine tools from the United States in the early stages of our war effort allowed Canada to take tremendous strides forward at a most important time. We produced no machine tools before the war, now turn out over half our ever-growing requirements.

Technical Equipment

A large amount of essential technical and precision equipment, machinery, etc., has been imported from the U. S. Canada, however, has been able to expand her own production greatly.

Raw Materials

Nickel

Canada produces 90% of world's nickel, is increasing output to meet the tremendous war-stimulated demand. Over half goes to the U. S.

Aluminum

A foremost producer of aluminum before the war, Canada has increased her output several times. More aluminum raw material for U. S. warplanes is one prime purpose of greater Canadian capacity. Huge supplies now being provided to the U. S. under Hyde Park agreement.

Asbestos

Canada as producer of 90% of United Nations' asbestos is keeping the U. S. supplied with this material. With raw material shortages 80% of asbestos output is "in the war."

Other Minerals

Zinc, lead, iron pyrites and other minerals are being provided in varying quantity to the United States. Canada provides the United Kingdom's requirements first with any "surplus" after U. K. needs shipped to the States.

Timber

Logging operations have been on a record-breaking scale with large exports to the United States — Construction of new war plants as well as war equipment has been taking huge quantities of lumber.

Power

Although pressed for power to supply her own war industries, Canada has managed to continue exporting a small block of power to the United States. Union Carbide, among other American companies, is depending on Canadian electric energy.

War Equipment

Small Arms

Canada was relatively well advanced in turning out small arms and machine guns at the time of Pearl Harbor, was able to help out her powerful southern neighbor.

Ammunition

A "very substantial" contract for small arms ammunition has been given by the U. S. ordnance recently when Canada proved she could turn out not only the ammunition but equipment needed to produce it. In recent months purchase of munitions by the United States has more than doubled.

Chemicals and Explosives

These have been supplied the United States in important quantities for the last year. Turning out enough explosives at an unprecedented rate, Canada has been able to supply the United States with substantial quantities after filling her own needs.

Machine Tools

Canada in six months of this year was able to ship the United States no less than 1,000 single purpose machine tools. Large quantities are still required from the United States but Canada can now turn out more than 50% of her own requirements of all types, can export certain lines to the United States.

Prices Czar

Much of the weight that is holding down Canada's price ceilings is that of the 230 lb., 6 ft. 3½ inch frame of Donald Gordon. As chairman of the Wartime Prices and Trade Board, Donald Gordon is the most important non-elected personality in Canada's government machinery. To his hands has been delivered the task of seeing that Canada gets through the war without suffering the evils of inflation plus his new and equally important job of deciding how and whom of the non-essential civilian industries shall be squeezed out to find more manpower for the armed services and war industry.

Donald Gordon

Such is the monumental job handed to the 41-year-old giant who, at 13, was a penniless Scotch immigrant. His rise from that humble beginning is straight out of a success story book. He broke into the banking business with the Bank of Nova Scotia at 15; when he was 34 he was practically drafted to the post of the Bank of Canada's first secretary; three years later he became Deputy Governor. The inception of the radical price ceilings policy brought him into the bright spotlight as price control czar.

While the price ceilings principle is radical, Donald Gordon has administered it with a wealth of sound common sense. He has realized that rigidity would not work at all times; he has applied a realist's philosophy designed neither to penalize business or the public, but to help the war effort.

New Supply Roads Open For China

China sometime ago considered possible alternative routes for supplies from India and efforts are being made on a large scale to get new routes through as early as possible.

In the meantime the Chinese government has a broadly based programme to expand existing and establish new small industries for the manufacture of war materials and other essentials. Recent Anglo-American loans will provide the money for this enterprise and there will also be some £4 millions originally earmarked for the Yunnan-Burma Railway. Chinese industrial co-operatives which have been working with notable success will likely be the main agency through which this new programme will be launched.

paper

A LINK IN THE "LEND-LEASE" CHAIN OF IDEAS

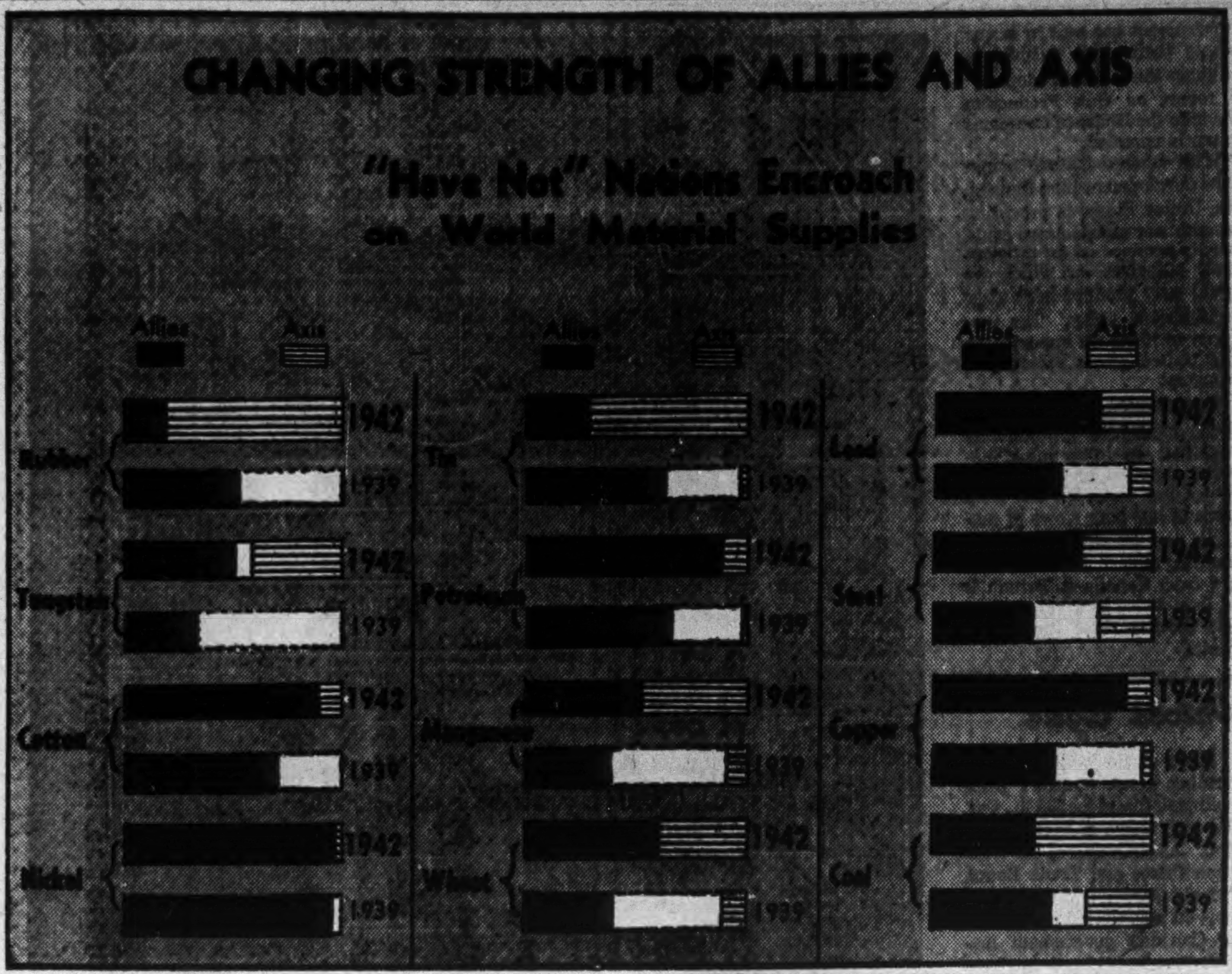
In the vast "lend-lease" program of war supplies and raw materials, is included the sharing and exchange of ideas, plans, and production.

A powerful link in this "lend-lease" chain is paper.

Upon it are recorded plans of mighty ships, tanks and planes — plans of war strategy! It is the media upon which are written documents of international importance pertaining to every phase of the Allied war effort! Every step in the story of production is recorded on paper.

As a mighty link in the great "lend-lease" chain of ideas, paper will continue to serve, that the United Nations may grow stronger through being informed and unified.

THE E. B. EDDY COMPANY LIMITED
HULL *Fine Papers Division* CANADA



Above is the most gloomy picture that can be painted of the economic balance between Allies and Axis. Gains of the Axis have been marked, but they do not tell the whole story. Most of the gains are under Japanese control and cannot be made available to Germany unless the Axis joins hands in the Middle East. By contrast, the Allies' resources are pooled, can be used on any front. Also important is the existence of stockpiles in allied hands. In many respects, the situation at the beginning of the war has been reversed.

United Nations' Resources Weigh on the Axis

Despite Losses Our Productive Facilities Still Lead; Advantage is Held in Men, Machines and Morale

Three years of Axis aggression have brought drastic changes in the distribution of the world's raw materials. In the days of the "bore war" we had the oil. We had more raw materials, more iron, coal, steel, copper, more and better manufactures, more people, more food, more ships, more money . . . and—the Maginot Line.

But the figures we read so sanguinely compared the resources of democracy, which was at peace, with resources the Nazis had organized for conquest.

Now, after three bitter years of defense, retreat, loss, we too are organized on the terms that total war lays down.

Figures now, though scarce, no longer reflect the power of an amiable peacetime economy at work to satisfy an infinite variety of needs, tastes, fancies, but economic power converted to the sternest of all undertaking and pointed at the pressing need for victory.

Enemy Gets Resources

With swift machine-like strokes, the Nazis, who were ready first, took control of French and Swedish iron ore; French, Belgian and Dutch coal, French, Belgian and Swedish steel; Scandinavian timber, Danish butter, Dutch bacon, French bauxite—practically all the resources of any account, all but small bands of the manpower, all the factories, all the food in continental Europe. Later, in the East, the Jap cut away Malayan tin, Filipino chromite, and the oil and rubber of the Indies and Malaya.

Despite such losses, however, the overall weight of the United Nations is still approximately two to the Axis' one. Furthermore, United Nations' losses have not always turned out to be valuable gains for the Axis.

Though this is a mechanized war, its prime material is, as in every war, manpower—productive, fighting human beings. It is their strength, courage, and intelligence that will win or lose the conflict.

Manpower

In this absolutely basic resource the United Nations are as seven to the Axis' three.

United Nations' men of fighting age (18 to 35) are two to the Axis one, not counting India and China.

These figures, however, reflect only the numerical advantage the United Nations possess over the Axis.

There are other advantages. United Nations' total manpower (an estimated 1,400 million) includes, besides people of the United Nations proper, those of Latin America, Egypt, Persia (Iran), the Portuguese colonies, and other areas, whose production is available to us through their exports because they are friendly to us.

But the Axis total (an estimated 600 millions) includes, besides enemy nationals, 350 million captive Chinese, Russians, and non-German Europeans, whose production is available to the Axis only because they are pressed into service.

One of the Axis' gains—threats took it—was Roumania, and Roumanian oil and wheat.

As for the Russians, the loss was not so great as many have supposed. Before the war began Stalin started shifting the centre of Russian grain production. He had gone in extensively for mechanization of agriculture. Driven by farmers the machines moved away to the North and to the East to other favorable areas. By the time the Axis came, the Ukraine was producing less than 23% of the Russian crop. Russia was still better off for food than the invaders.

The Axis is also pulling in its belt in Europe this year for other reasons. Mobilization in the Balkans, food specialists assert, has cut the exportable surplus of wheat in that area by 2,650,000 tons. Potatoes, staple food of the German diet, were killed by the millions of tons by the severe cold in Germany last winter, and the Russian campaigns are insatiable. Several months ago, Nazis began a ration regimen to cut food supply by 15%.

Big Crops Here

Compare this with the plenty in North America where a Canadian crop (wheat, oats, barley, rye combined) is 109% bigger than last year's — up 322 million bushels; where an American crop is better by about 30% than average years. In the Western Hemisphere there's a variety of excellent food every day. In Britain, they fare not too badly although the diet may tend to get dull at times.

The following table shows the relative strength of resources of some of the vital materials with which the workers of the United Nations and the Axis must produce the capital goods of war.

	Axis	United Nations
	% of world production	
Tungsten	67	33
Rubber	90	10
Nickel	2	98
Tin	74	26
Cotton	13	87
Manganese	48	52
Petroleum	10	90
Lead	24	76
Copper	12	88
Sugar	36	64
Coal	53	47
Steel	33	67

Note: — Production of neutrals is assigned half to each side.

Steel output, it will be noted, is two to one in the United Nations' favor, despite the loss of steel-producing areas, and despite greatly expanded production in Italy, Germany and Japan. Axis powers' total output rose from 33 million tons in 1938 to 52 million tons in 1941, chiefly by conquest. United Nations' output in the same period rose from 68 million tons to 112 million tons.

Thus in steel, a prime indicator of industrial capacity, the United Nations have demonstrated a much greater power to expand and produce; and the ratio of general industrial capacity United Nations to Axis can be taken as two to one.

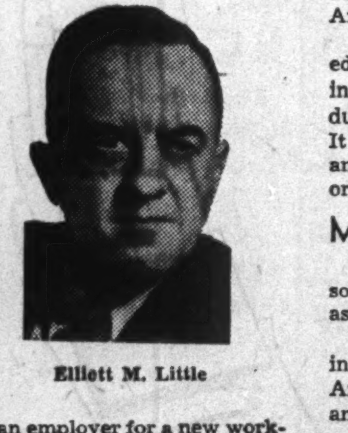
Capital Goods

But the estimate of capital goods capacity, the ability to turn out manufactures involving the use of steel and other metals, is even better. The prewar output of automobiles can be taken as a gauge. United Nations capacity in this respect is three to the Axis one. Since the war began, however, tremendous sums have been spent on new plant and equipment. In the United States alone almost $10 billions was spent tooling up for war. The resultant expansion must have greatly exceeded any within the Axis domains. And the $10 billions spent is not the maximum of which the United States is capable. Many agree, however, that Japan reached the maximum in 1939 and Germany and Italy did in 1941.

Because of these expenditures in the States, because of expenditures proportionately in ratio to their population in Britain, Canada, Australia, and because of the superior numerical strength and superior quality of the manpower, the United Nations are now out-producing the Axis on a scale at least in the ratio of two to one. The United States alone is now producing more planes than all the other nations.

Manpower Master

Control of Canada's labor supply has become an increasingly important phase of the war of production. Most of that control is vested with the director of National Selective Service, chunky Elliott M. Little. In organizing available manpower Little's big job is to see that essential industries are served first. To better control the flow of labor he recently ruled that before an employee could resign or be fired, there would have to be a seven-day cooling off period. Before a worker can look for a new job or an employer for a new worker, a permit is needed. That gives Selective Service a chance to keep an eye on labor shifts, gives it machinery to move available labor from less essential work to vital industries.



Elliott M. Little

Ontario-born, the 42-year-old Little's business background is entirely in the pulp and paper business. In that business he piled up an enviable production record with the Rothermere properties of Anglo-Canadian Pulp and Gaspesia Sulphite Co. In 1941 the government asked for him on a part-time basis to be director of the Wartime Bureau of Technical Personnel, organized to locate and catalogue engineering and technical brains for the war effort. That was the prelude to his present job of manpower master, which is far from a part-time task.

FOUR IMPORTANT BOOKS
by
Molyneux L. Gordon, K.C.

Digest of Income Tax Cases of The British Commonwealth of Nations. Published by The Department of National Revenue, Ottawa, 1939, with a foreword by C. Fraser Elliott, K.C., Commissioner of Income Tax. Bound in buckram $3.00
Supplement 1937-39. Bound in buckram 4.75
Supplement 1939-42 (to be published April, 1943)
Digest of Excess Profits Tax Cases of The British Commonwealth of Nations, 1942. Bound in buckram 6.75

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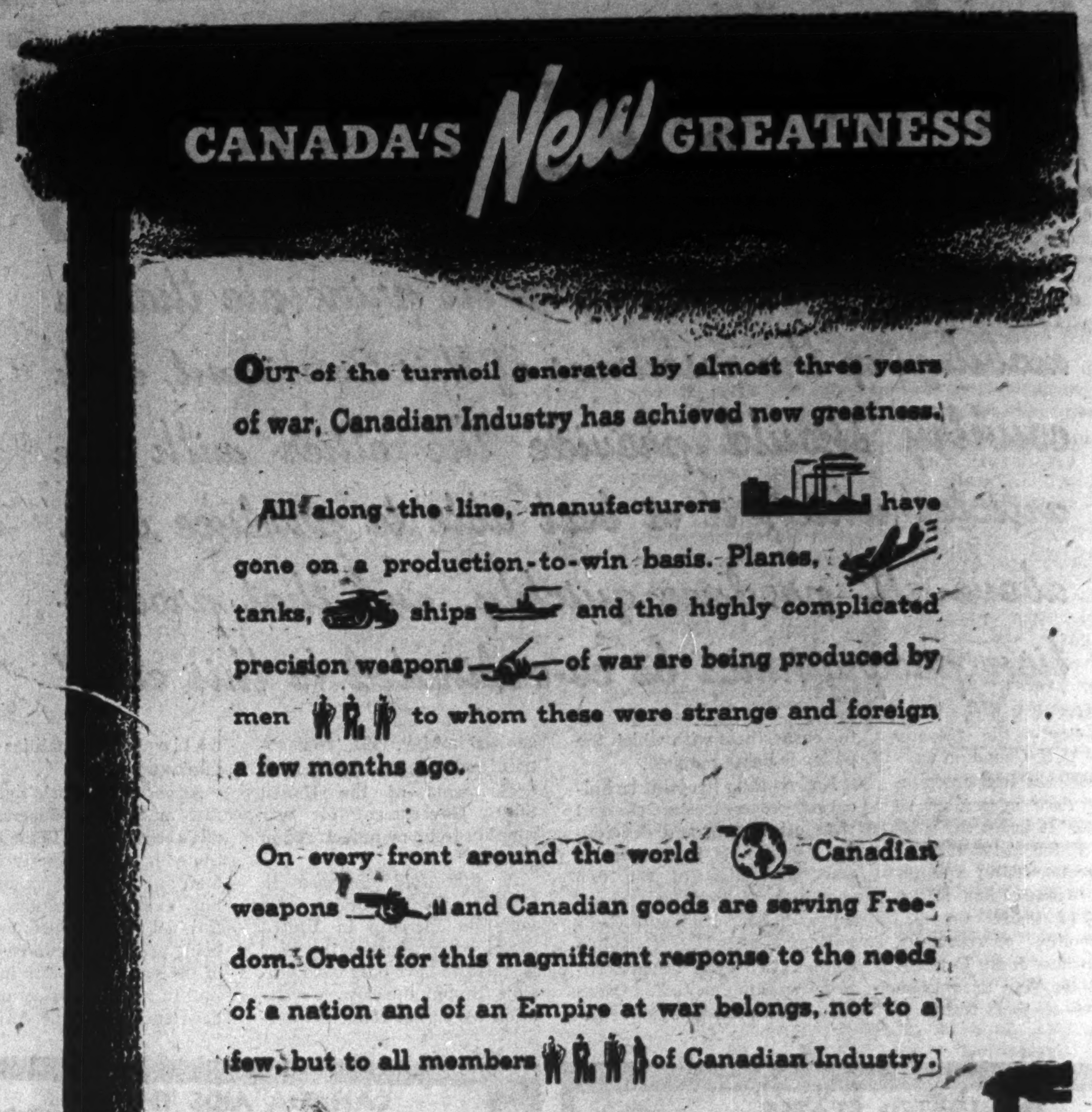
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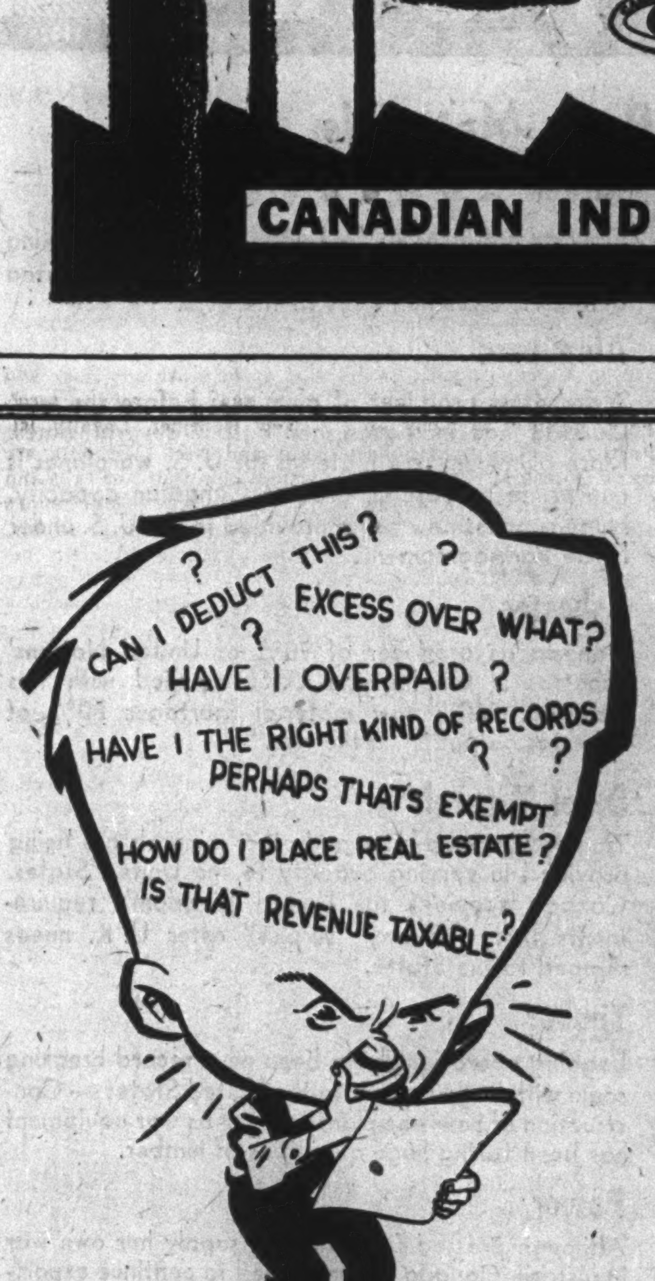
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Fighting French

From One Man to Ten Million

Fighting France in June, 1940, was one man alone in a London hotel room. Major-General Charles Joseph Marie de Gaulle seemed little more than a six-foot-four-tall gesture of defiance to Berlin—excellent for morale and propaganda.

Today, he is leader to 10 million French citizens who live in 333,000 square miles of territory, six times the area of metropolitan France—and Le General to most Frenchmen.

Recently he said in appraisal of the conflict between Vichy and the United Nations in Madagascar: "What the French people want is . . . their share in the war—carried on by those of their children and lands which are salvaged from the invader, or from treachery . . ." He has salvaged two fifths of the French Empire.

He began the world's greatest salvage operation on June 18, 1940, in a broadcast from London to the people of France, saying: "It is true that we have been and that we are now submerged by the enemy's forces on land and in the air . . . But has the last word been spoken? Must we give up hope? Is this defeat final? No! . . . For France is not alone . . . This war is not confined to the territory of our hapless country. The fate of this war has not been settled by the battle of France . . . This is a world war . . . Whatever happens, the flame of French resistance must and will burn high."

60,000 In Army

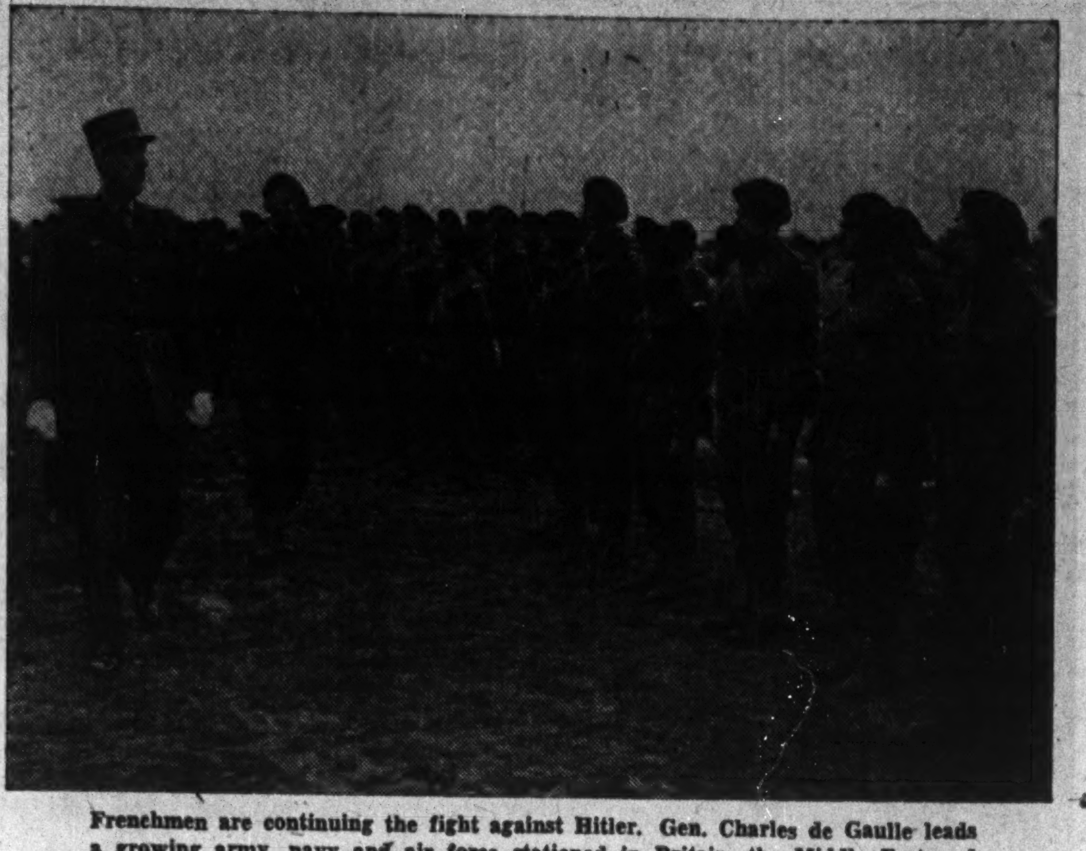
The Fighting French armies in the Middle East, Africa and the Pacific have expanded from a handful of men, two years ago, to a total of more than 60,000. In addition, more than 6,000 sailors are fighting under the Cross of Lorraine; 2,800 airmen are with the allied air forces and 2,000 merchant seamen sail on allied ships.

Other estimates credit the Fighting French with 100,000 men under arms, with a navy of nearly 100 units and a merchant marine of 281 ships totalling 740,000 tons.

In two years, Fighting France has grown from a spirit that was incarnated in one man, de Gaulle, and a committee, the French National Committee, (in Britain) to an important and effective member of the United Nations.

Welcome at Home

Agents of de Gaulle who visit France at every opportunity, report they may knock at random on the doors of French householders, certain of welcome, shelter, food and assistance in their missions.



Frenchmen are continuing the fight against Hitler. Gen. Charles de Gaulle leads a growing army, navy and air force stationed in Britain, the Middle East and other fighting fronts. The Fighting French navy is an important aid. Shown here is Gen. de Gaulle reviewing a unit of the Fighting French comprising former prisoners who escaped from Germany into Russia.

At first, Free France was de Gaulle; today, Fighting France is an ally of military value.

Marshal Foch wrote: "It is the generals who lose or win a battle, not the troops. Without leadership, no battles, no possible victory." De Gaulle has been called an "inexperienced politician," and a "bad salesman," but he is also the man "who was right," before the event.

Two books and a 17-page memorandum were ignored, laughed off and condemned by Frenchmen, were read by Germans. "The Philosophy of Command" advocated individual initiative on the part of commanders; "The Army of the Future," (1934) drew a picture of tank blitzkrieg, said the Maginot line was limited in depth, left northern France exposed and its psychology would "defeat France." In 1940, a memorandum to General Gamelin and 21 others repeated his fear for the Maginot line to uninterested readers.

De Gaulle was wounded three times in the 1914-18 war, captured and escaped on five occasions, to be recaptured each time, became professor of Military history at St. Cyr, and, in 1932, general secretary of the Superior Council of National Defense.

When Petain assumed office, de Gaulle flew to Britain, broadcast to his fellow countrymen and, six days later, on June 24, 1940, "His Majesty's government declared that they will recognize such a provisional French committee and will deal with them in all matters concerning the prosecution of the war . . ." One month before he had been an unknown infantry colonel who wrote books. The preceding May 25, General Weygand had fired 15 generals, made de Gaulle a major-general in command of a hastily organized tank division to resist the Germans at Laon and Abbeville.

From the beginning de Gaulle has maintained that the Free French movement is a "military movement, not a political movement, except in so far as resistance to the aggressor implies political activities."

Not until June 24, last, did he define Free French political aims, chief among which is election of a "national assembly" by the French people to decide their own future when the Germans are driven out.

Around the World

Heart of the Free French empire is vast French Equatorial Africa. Brazzaville, its capital, and capital of the Free French Empire, has changed from a quiet colonial town, to the clamor of all the services engaged in modern war. Adjacent to the north is the Cameroons, until 1919, a German colony, which, like French Equatorial Africa, decided by plebiscite to join the Fighting French. Col. Cunningham, head of a United States mission in Africa this year, reports that French Equatorial Africa has made more progress in one year under Free France than in the preceding 20 years.

Syria which surrendered to Free French under General George Catroux and British forces, in June, 1941, was granted its independence the following September and co-operates with Fighting French, much as members of the British Commonwealth aid Britain. Thirteen small states in India, in five areas of French territory, including Chandernagor, Yanaon, Mahe, Karikal and Pondichéry, decided as early as September, 1940, to fly the Cross of Lorraine.

When Vice-Admiral Emile Muselier, commander of the Free French navy, with four corvettes, visited St. Pierre and Miquelon islands on Dec. 24, 1941, the electors voted 650 for Free France against 10 for Vichy.

In the Pacific, Free France administers three groups of islands. The New Hebrides was first, of all the empire, to join General de Gaulle on July 20, 1940, after a 400-to-4 plebiscite. In the same group are Loyalty Islands and New Caledonia, all immediately northeast of Australia.

Farther east the Wallis and Horn Islands have pledged themselves to de Gaulle and nearly half-way between Australia and South America, the groups of islands that include the Marquesas, Tuamotu, Society Islands, Tubuai and Tahiti, are giving every assistance to Rear Admiral d'Argenlieu, Free French military High Commissioner for the Pacific area. In the islands of Tahiti, Morea and Tuamotu, the vote was 3,564 to 18 against Vichy.

To Vichy remain the islands of Martinique and Guadelope from which hundreds have fled to join Fighting French forces; French Guiana in South America; French West Africa because of the failure at Dakar, (the secret of the impending attack leaked to the Germans from a London dinner); French Indo-China which Vichy Admiral Jean Decoux handed to the Japanese in July, 1941.

Strategic Role

Free French colonies play important strategic roles in four instances and will in a fifth when Madagascar safeguards the approaches to the Indian ocean and is not a real or potential risk.

There is the overall generality that the Fighting French efforts have prevented areas of strategic and economic value falling into the hands of, or assisting Germans and Japanese through Vichy collaboration, as in the case of Indo-China.

French Equatorial Africa provides a land and air corridor to Egypt and the Middle East that is thousands of miles shorter than the sea route by the Cape of Good Hope. Road building operations are in progress. It has made possible attacks by Fighting French forces on outposts in southern Libya. It helps to negative Vichy French West Africa where Dakar is the strongest point on the Atlantic coast of Africa and nearest to America. Should the Germans, with Vichy co-operation, decide to proceed to Dakar, French Equatorial Africa would be vital in resistance.

Similarly, Syria is an extra safeguard to coveted oil in Iran and Iraq, and an additional bulwark against any German attack through Turkey—either to reach oil, or to effect junction with the Japanese in India, or to pinch the Suez and Egypt against Rommel's forces.

New Hebrides, Loyalty Islands and New Caledonia are outpost guards of Australia and an American expeditionary force now is on New Caledonia.

The Fighting French, too, averted a threat to the safety of the St. Lawrence entrance to Canada in their Christmas Eve occupation of St. Pierre and Miquelon.

Have Vital Materials

French Cameroons and French Equatorial Africa are among the world's greatest exporters of palm kernels and palm oil from which glycerine for the manufacture of explosives is produced. They also produce cocoa, coffee, cotton, plumbago, wolfram and mica. Half the French African gold output now is used as an African currency reserve and the other half is made available to the French National Committee. French Equatorial Africa has available several hundred tons of tin ore monthly and 1,000 tons of rubber annually, comparatively minute amounts, but welcome as never before.

New Caledonia, today, is credited with providing a fifth of the United States consumption of nickel. In 1939, (last published figures) Canada produced 210 million pounds of nickel and New Caledonia, 46 million pounds. Until New Caledonia joined the Fighting French, nearly all this production was exported to Japan.

New Caledonia, too, exports from 50,000 to 100,000 tons of chromium annually, probably 20 per cent of United States consumption.

Tahiti and the New Hebrides add 10,000 tons of copra and Syria, 3,000 tons of wool and 1,000 tons of tobacco annually to the United Nations storehouses.

All Volunteers

"The army of Free France is the only one, among all those engaged in the field, composed exclusively of volunteers," writes General Petit, chief of headquarters staff of Free French Forces. It began with the "most indispensable things lacking, even manuals for instruction."

An officers' training school, the St. Cyr of the Free French empire has been established at Brazzaville, and at Camp Chad, also in French Equatorial Africa, an African army is being trained. French army schools have been established in Britain and other Frenchmen attend British military schools.

"In Gibraltar on June 28, 1940, I collected a few French merchantmen who wanted to escape from the shame of capitulation. The navy of Free France was born," says Vice-Admiral Emile Muselier. It was he who made the Cross of Lorraine symbol of the Fighting French, when he ordered a square blue pennant with a red cross at the prow of all Fighting French ships to distinguish them from vessels of Vichy.

Air Fighters

The Fighting French Air Force under Brig.-Gen. Martial Valin, has more than 75 enemy planes to its credit and 20 ships sunk or damaged. It maintains a fighting group in Britain, three groups in Syria and the flying force of French Equatorial Africa which early rallied en bloc to the Free French cause. There is also a service of aerial liaisons which is endeavoring to replace Air France in the immensities of Africa and the eastern Mediterranean.

De Gaulle was one man nearly alone in June, 1940, but when Frenchmen in every part of the world realized that Britain would remain and de Gaulle continue, thousands escaped to join him. Not only youths who flew and sailed and paddled from France and from every part of the empire, but enough able maturity to form a nucleus of leadership. They won't impose this leadership on France, they affirm, but it is capable of serving France well in the interim between the first hope of release and final freedom.

Underground Help

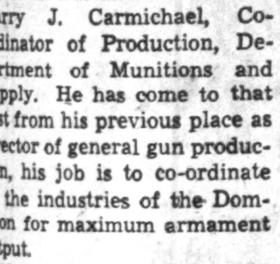
Labor leaders of France have been to Britain to confer with de Gaulle, discuss postwar social changes, and returned to France with plans for sabotage. Underground organizations in both French zones have reached agreements with the National Committee on Free French policy. The underground press of France—Liberation, Combat, Verite, Franc-Tireur and Liberational Nationale, receives inspiration from the accomplishments of the Fighting French empire.

Through the Fighting French, France is gaining an exceedingly useful and efficient mechanism, not only for the immediate prosecution of the war, but for collaboration with the rest of the world at the war's end, and for inspiration and guidance during postwar rehabilitation and the fresh start of a great empire in a changed world.

Production Booster

Most recently appointed top figure in war administration is Harry J. Carmichael, Co-ordinator of Production, Department of Munitions and Supply. He has come to that post from his previous place as director of general gun production, his job is to co-ordinate all the industries of the Dominion for maximum armament output.

Along with the meshing of gears of our present broad scale war effort Mr. Carmichael also has an efficiency job—to see that every producer is on the most economical and efficient basis possible. For that tremendous task he has to have broad powers; directors general of war production and heads of crown companies now co-ordinate through him.

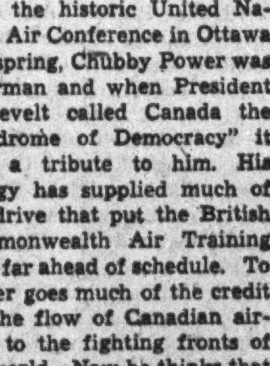


H. J. Carmichael

His background for such work is a natural for he comes from cost-conscious automobile industry. At the McKinnon plant in St. Catharines he started out as a pattern maker at 30 cents an hour; 17 years later became president and general manager. For the past five years he was vice-president and general manager of General Motors of Canada, resigning to take his wartime job of speeding production of much-needed materials. Not yet 50, Mr. Carmichael is noted for his unbounded energy, "drive," ability to get results.

Airmaster

His name is Major the Hon. Charles Gavan Power, but almost anywhere in Canada when you speak of "Chubby," listeners know that you are talking about Canada's Minister of National Defense for Air. Big, broadshouldered, swarthy "Chubby" Power represents Quebec South in the House, speaks English and French fluently. He looks more like a French-Canadian than many of his constituents but he's really Irish, and he retains the facile tongue and native wit of his forbears. No stuffed shirt is Canada's Air Minister; he gets more fun out of his job than most of his cabinet colleagues.



Hon. C. G. Power

At the historic United Nations Air Conference in Ottawa this spring, Chubby Power was chairman and when President Roosevelt called Canada the "Airdrome of Democracy" it was a tribute to him. His energy has supplied much of the drive that put the British Commonwealth Air Training Plan far ahead of schedule. To Power goes much of the credit for the flow of Canadian airmen to the fighting fronts of the world. Now he thinks that all the squadrons that Canada has sent over are not getting sufficient credit for what they are doing, he wants to "Canadianize" the overseas set-up so that the achievements of Canadian fliers won't be submerged.

Silver Replaces Chromium Plate

Approximately 13 tons of chromium, a strategic metal, has been saved by substitution of silver finish on some four million pieces of flatware for the Army, the Quartermaster Corps has informed the U. S. War Department.

Forks and spoons are made with mild steel as the base metal, while knives have a corrosion-resisting steel base. In the past, U. S. Army flatware has been chromium-plated—now flatware is being finished with silver rather than chromium as there are ample stocks of silver on hand and it is not regarded as a strategic metal.

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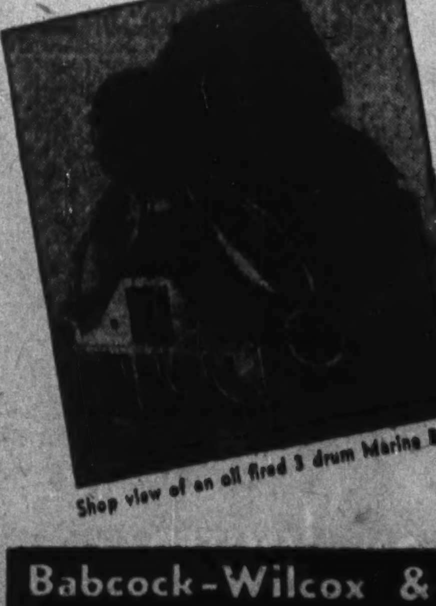

Shop view of an oil fired 3 drum Marine Boiler.

To maintain a United Front the sea lanes between the Democracies must be kept open — and will be. When the full story may be told we shall all be mighty proud of the fine job being done by Canadian men on Canadian ships . . . We are indeed pleased at the part we are allowed to play in supplying BABCOCK boilers and other equipment for mine-sweepers, corvettes and other fighting craft. Realizing their vital importance our organization puts into them the best of all we have.

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Canadian Industry Spreads Its Wings

Three Years Have Revamped Aircraft Output, Given an Industry Major Status

Scudding smoothly across Canadian skies a few days ago went one of the most important members of the United Nation's air armada—the 1,000th Anson plane produced in Canada in 1942.

This event symbolized the giant strides that Canada's aircraft industry has taken under the all-consuming drive for more speed and better planes. In three years this industry has grown from crawling infancy to hard-hitting maturity.

At war's outbreak there was something like 40 aircraft produced annually in Canada. Today there is a production of about 400 planes a month. Canada is looking after a substantial part of the Joint Air Training Plan requirements; it is building operational planes for the R. C. A. F.; large orders for training and service planes have been accepted from the United Kingdom and the United States.

Air Revolution

The demands of war have forced a complete revolution in the way of thinking of the aircraft industry. In the first nine months of the war Canada turned out around 200 planes, mostly elementary trainers. The fall of France, expansion of the Joint Air Training Plan, the pressing urgency to get fighters into the air meant an increasing emphasis on the building of aircraft for service flying.

That revolution has been weathered by Canadian brain power and plain hard work. Facilities have expanded astronomically. Pre-war floor space occupied by the industry totalled some 500,000 sq. ft.; today it is over 3.5 millions. Number of pre-war employees averaged about 1,000; here is how that total has grown:

Aircraft Industry Employees

Dec. 31, 1939	4,948
Dec. 31, 1940	15,802
Mar. 31, 1941	23,643
June 30, 1941	26,197
Sept. 30, 1941	30,795
Dec. 31, 1941	37,379
Mar. 31, 1942	43,720
June 30, 1942	47,970

A considerable simplification through concentrating on nine types of aircraft has helped to speed production. Before this policy was established, efforts had been spread over the manufacture of 15 types of aircraft at one time or another. Those 15 types were:

Elementary Trainers	
Fleet 16B	Menasco Moth
Tiger Moth	
Advanced Trainers	
Fleet 60	Anson
Harvard	
Service Aircraft	
Shark	Stranraer
Delta	Hurricane
Grumman	Bolingbroke
Lysander	Hampden
Norseman	

The fast tempo of air war has rendered some of those types obsolete; production schedules have shown that other types can be turned out more efficiently. Canada is concentrating now on nine types of aircraft. These are:

Fairchild "Cornell," also known as "Freshman"; elementary trainer built by Fleet Aircraft.

North American "Harvard"; single-engined advanced trainer built by Noorduyn Aviation.

Canadian "Anson"; twin-engined advanced trainer built by Federal Aircraft.

Bristol "Bolingbroke"; twin-engined reconnaissance bomber and bombing and gunnery trainer built by Fairchild Aircraft.

PBY5 "Catalina"; coastal reconnaissance amphibian built by Boeing Aircraft of Canada and Canadian Vickers.

"Hurricane"; single-engined fighter built by Canadian Car & Foundry.

Avro "Lancaster"; four-engined bomber built by National Steel Car Corp.

Curtis Navy dive bomber; built by Canadian Car & Foundry.

Twin-engined fighter; built by de Havilland, still on secret list.

Complete Range

This plan represents the complete growth of the Canadian aircraft industry from the days when it was capable of turning out only a very limited number of elementary trainers to the present ability to produce a complete range of aircraft, from initial trainers to first-line fighters and bombers.

Newest debutante in the list of Canadian-built planes is the PBY5 Catalina amphibian, the first of which was launched by Boeing of Canada last July 27. This twin-engined coastal patrol plane weighs 17 tons fully loaded and has a wing spread of 104 ft. Costing close to $250,000, the Catalina is composed of more than 100,000 parts and requires well over 100,000 man hours of work to produce. It has what is reputed to be the greatest range of any two-engined bomber in the world. Its ability has already been proved in many theatres of war, most dramatic of which was the sighting of the Bismarck.

Some of the details of this particular aircraft are given merely to indicate the tremendous progress that the Canadian industry has made from the "stick and string" days.

Hundredfold Increase

That epic expansion is a tribute to Canadian planning skill. Here is an industry that is supposed not to lend itself to mass production methods, yet volume of output has been increased over 100 times in three years.

That increase is not the whole story. At the same time there have been wide-reaching changes in the types of aircraft made. That means thinking ahead for months. With the present availability of materials an aircraft producer must make plans today for what he will produce a year from now. When production is changed over to a new type of aircraft, there can be an overlap of nine months for tooling up.

Production engineers point out that the guiding principle of the engineering office of an automobile plant is production. A unit is not designed from the point of view of its function only, but also how it can be produced best in mass quantities. In the aircraft industry, however, positions are reversed; function of the part is the primary consideration. This fact makes one of the major headaches for the mass production engineer.

Simplified Control

As experience grows the intricacy of aircraft construction is gradually giving way to a greater degree of simplicity. Boiling down the complicated procedure of putting a plane together to the simplest possible components is one of the methods that has allowed Canada's tremendous expansion in aircraft production. Typical of this type of production practice is the simplified control system being used by Fairchild Aircraft at Longueuil, Que., recently reported on by E. C. Rechel, operations manager.

In breaking down operations at Fairchild, the plant was divided, where physically possible, into a group of small plants each making one component, that is, not only in the operations of productive departments but right through the whole organization back to the material stores.

Group Plan

All the way through at Fairchild parts are grouped in the units that produce the subassembly. Orders are issued to workmen on this same principle; in no case is an order for one part issued to a department for production without the corresponding orders for the parts necessary for the complete unit concerned. Shortages are corrected, not by chasing up individual parts when discovered at assembly, but by speeding up production in those sections of the departments that make the parts required for the assemblies where it shows that a future shortage will occur.

Throughout the entire system of controls the supervisor, checking conditions, can ascertain the cause of a holdup before it occurs, by following a very narrow path from the assembly department to the detail part manufacture and materials, and dealing mentally with only, say, fifty items as against a possible thousand.

This method of grouping goes back to and includes raw material and proprietary parts which can be broken down and simplified into groups of a few hundred items, instead of tens of thousands of parts. In other words, the watchword is "assemblies" and not "parts."

Fairchild found that application of control of parts by groups, instead of by items, created a co-ordinated flow which permitted a 100% increase in production in a period of three months.

Repair Business

In step with the growth of aircraft production has been the overhaul and repair end of the business, which has grown into a major industry. By the end of this year it is estimated that this business will be at the rate of about $100 millions annually. In 1941 it handled $25 millions of work.

A plane must be overhauled after every 400 to 700 hours of flying. This is a complete job; it must be torn down completely and then reconstructed. Motors must be overhauled from two to three times as often as the airframe. In addition to the regular overhaul business, there must be repairs to planes damaged in accidents. Depending upon the complexity of the plane the overhaul of a single aircraft may run from $1,500 to $30,000 or more.

To handle that business there were some 6,000 employed last year. Aim for the end of this year is 20,000. The work is being done in plants all over the country; some are privately owned, most have been built or financed by the Dominion government, but all are under private management.

Cross-Canada Chain

That chain of overhaul and repair shops across Canada includes such well-known names in the aviation field as Cub Aircraft, Pratt & Whitney, Canadian Car, Ottawa Car, de Havilland, Prairie Airways, many another. These shops overhaul around 15 different types of engine ranging from the Gypsy of initial trainers, the Jacobs which powers the Avro "Anson" and Cessna "Crane" to the Rolls-Royce Merlin which powers the Hurricane. Around 25 different types of aircraft are handled, ranging through the whole field of production from initial trainers to first-line fighters and bombers. Each plane represents literally thousands of parts to be checked.

The great bulk of the repair and overhaul work on aircraft in instructional and operational use in Canada is supervised by the Repair and Overhaul Division of the Department of Munitions and Supply. Officers of this division are on duty at Montreal, Toronto, Winnipeg and Edmonton. The Overhaul Division does all major modification work in addition to the maintenance job. The installation of power turrets is an example of this class. Winterizing of aircraft is another job, as well as the erection of all aircraft originating outside Canada that are not flown in.

NEW TYPE BUILDINGS

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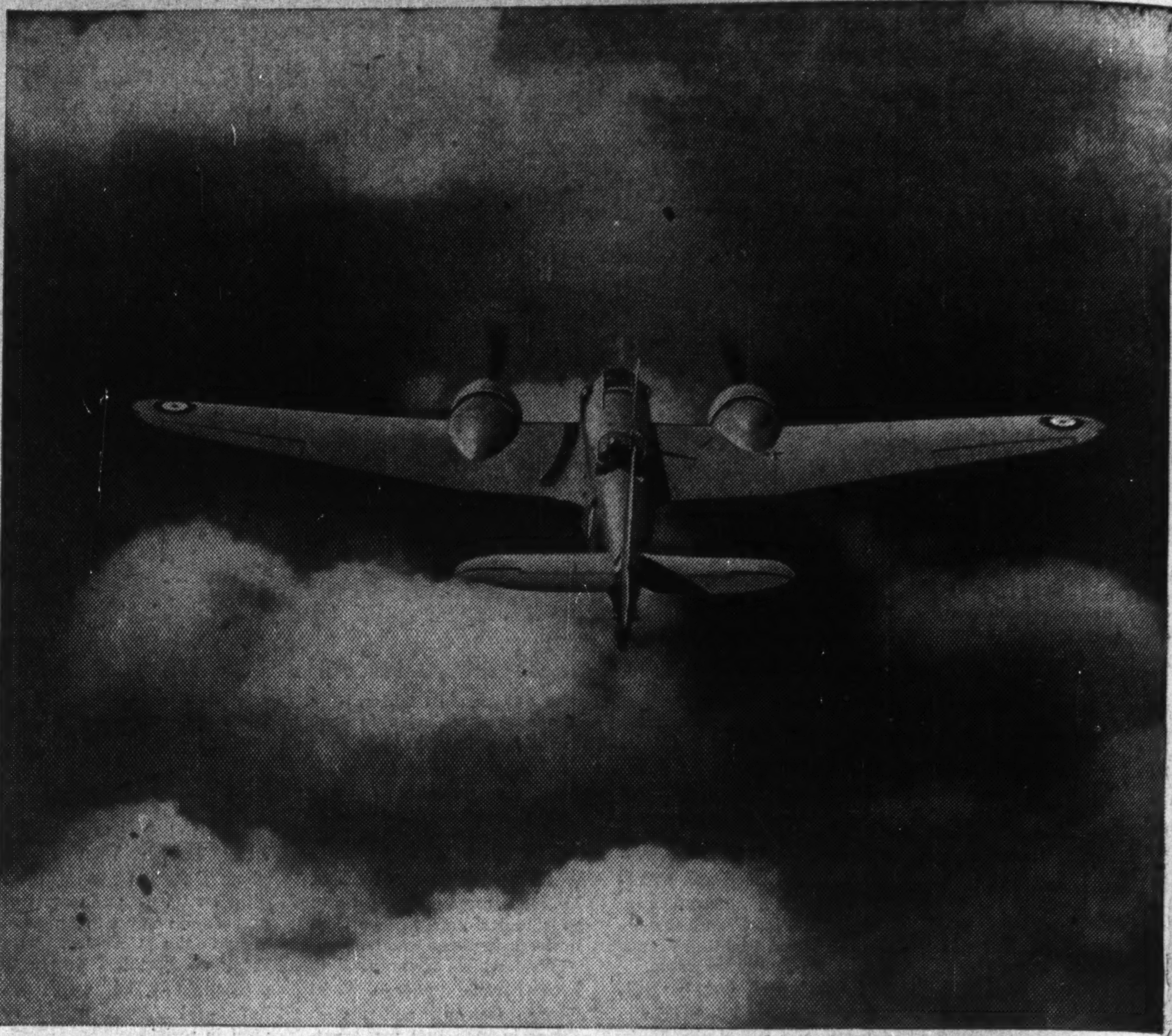

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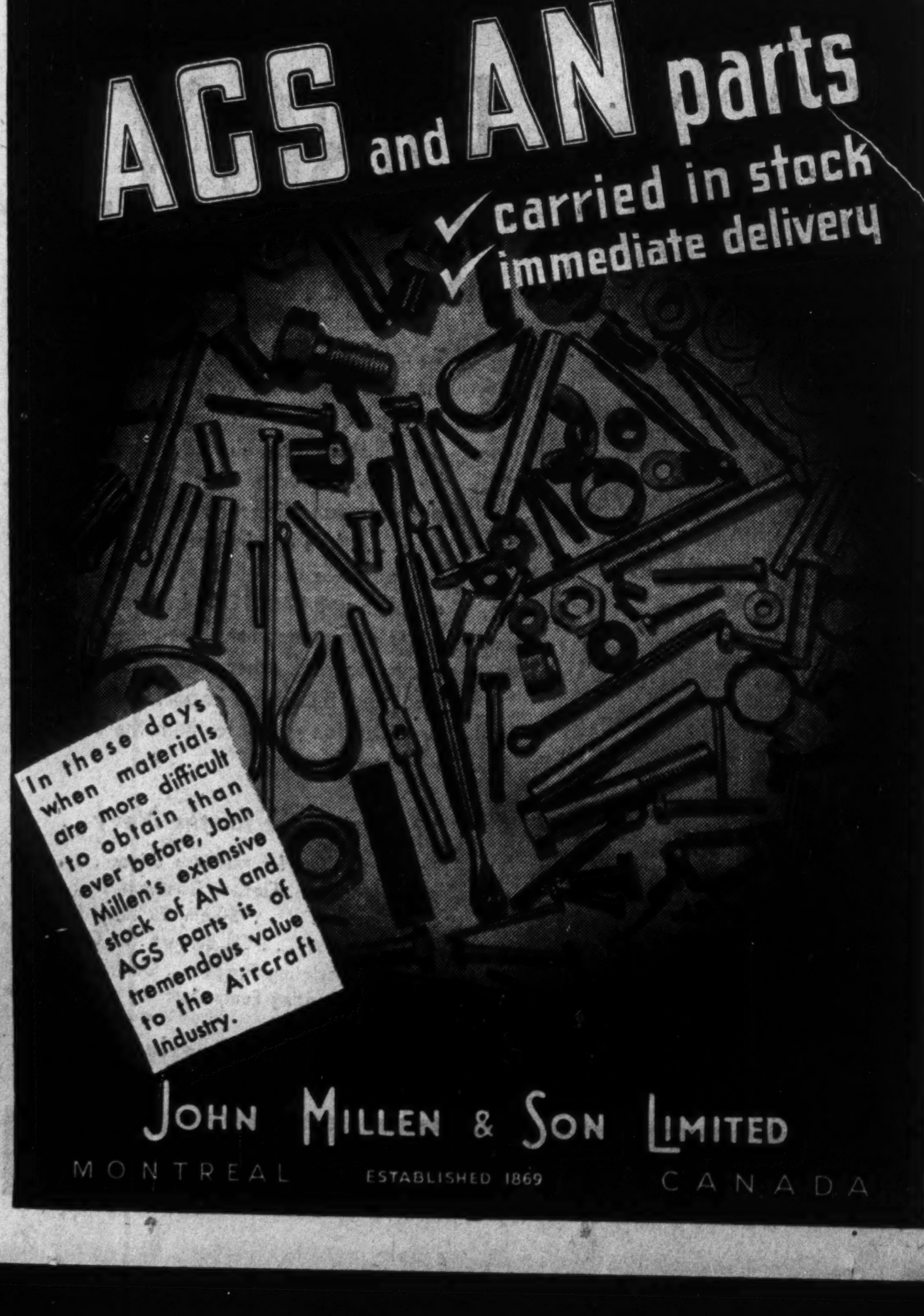

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The Men Below The Pilots

War in the air is Canada's articular bent, Across the ominion the drone of power-l engines sounds on a 24-hour day schedule. Behind all this aring activity is a set-up that s as precisely timed as the ewest engine on the latest hter plane.

An organization that puts ide-spreading big business rporations in the shade works ietly behind the scenes of anada's air war, guiding erything from overall policy making sure that the greent recruit is made comfortble. Boss of the set-up is ajor the Hon. Charles Gavan ower, Minister of National efense for Air. Under him me the various members of e Air Council and their subrdinates until the organization covers every phase of the st plan which puts fighting en in the air and keeps them ere.

ive Jobs

The Air Council has five ain jobs: getting men, organing, equipping, training and tting them into action. Heads f divisions are responsible for plementing policy decisions ached by the Air Council d are responsible to the hief of the Air Staff for the ministration of their various visions. Routine matters reiring higher authority are ferred by the heads of divions through the Chief of the r Staff to the Deputy Air nister.

The Council meets frequenty to keep division heads at r Force Headquarters in uch with the activities of her divisions and to give division heads a chance of advisg on policy. Each division ead delegates routine authory to heads of his directorates, nd they in turn delegate uthority to staff officers under hem.

The Air Council consists of the Air Minister as president, the Deputy Air Minister as vice-president, and the following members: the Chief of the Air Staff, the Deputy Chief of the Air Staff, the Air Member for Organization, the Air Member for Personnel, the Air Member for Training, the Air Member for Air Staff, the Air Member for Aeronautical Engineering, the Air Member for Supply and the Air Member for Accounts and Finance.

The Chief of the Air Staff, the senior appointment in the R.C.A.F., is head of the Air Staff, president of the Air Members of Air Council, a member of the Air Council, Defense Council, Chiefs of Staff Committee and the B.C.A.T.P. Supervisory Board.

He is responsible to the Air Minister on questions of Air Force policy and strategy, for the force's fighting efficiency, for the British Commonwealth Air Training Plan, the coordination of duties by staff division heads at Air Force Headquarters and for correspondence with air attaches and air authorities throughout the Empire.

He supplies the Minister with information on the conduct and progress of air operations and is responsible for selection of officers as staff division heads at Air Force Headquarters and as officers commanding air commands and lower formations.

The Deputy Chief of the Air Staff assists the Chief generally in the co-ordination of activities directed and controlled by other divisions.

Directly responsible to the Chief of the Air Staff is the Director General of Air Research, who must keep in touch with development and research trends in other countries as well as his own and draw the attention of key officers to developments affecting their branches. In co-operation with them he investigates R.C.A.F. problems and recommends what action should be taken in the way of research in connection with the problems.

He acts between the R.C.A.F. and other Canadian government departments on research and development questions, and keeps in touch with British and American authorities, and he has access to the personnel of the National Research Council.

Responsible directly to the Chief of the Air Staff again are the Director of Works and Buildings and the Accidents Investigation Branch.

Works Control

The Director of Works and Buildings has control over all works and buildings projects in the R.C.A.F. and has authority, through his subordinate officers, for design and supervision over construction, for surveys, development, siting approval, contracts and priorities. Under his direction come the questions of surveying, inspections, rented buildings, alterations, landscaping, airdrome maintenance equipment and scores of other details all adding up to the immense building project which is the British Commonwealth Air Training Plan.

The Chief Inspector of Accidents, who is head of the Accidents Investigation Branch, supervises enquiries into all accidents involving service flying occurring in Canada.

Under him an officer assists in overseeing enquiries held by command investigating officers, in collection of evidence, summarizing information derived and circularizing interested divisions within Air Force Headquarters.

The Inspector General, responsible directly to the Minister of National Defense for Air, reports to him on the training and efficiency and the fitness for war generally of the R.C.A.F. Visiting station after station, he assesses the efficiency and suitability of aircraft, armaments and equipment, and the condition of Air Force works and defenses.

Functions of the Air Member for Personnel are to get the men, supervise their transition from civilian to service life, take charge of postings, promotions and the huge medical organization which is such a vital part of the R.C.A.F.

A. M. P. Important

A long list of responsibilities which come under the Air Council are found after the name of the A.M.P. The entire personnel policy of the air force comes under his direction, from which springs the provision of reserves, and the question of mobilization and demobilization.

Recruiting publicity is under his direction, as are discipline and legal problems, ceremonial and drill, records, liaison with Army, Navy and R.A.F., the chaplain services, air cadets, auxiliary services, trade testing, amendments to the King's Regulations for Air, welfare and educational services, administration of the Women's Division, casualties, and liaison with the Pensions Commission.

An equally important member of the council is the Air Member for Organization, whose duties include the coordination of organization plans submitted by divisions. He is responsible for general administration of Air Force Headquarters. He is chairman of the committees on airdrome development, organization and establishments, and works and buildings development.

His duties include investigation into the Air Force Headquarters establishment and all other R.C.A.F. units.

Air Force operations require a tremendous amount of highly technical skill. Pictured here is a control tower at a flying field, the centre from which movement of aircraft landing and taking off from the field is controlled. The responsibilities of the control tower symbolize these of running the complex machine that is Canada's Air Force.

The Air Member for Training, another member of the Air Council, is responsible to the Chief of the Air Staff for carrying out Air Force training policy—that is, the B.C.A.T.P. This embraces both air and ground training of all ranks in the R.C.A.F., the Women's Division and R.A.F. personnel in Canada. Under him comes the Director of Air Training, who is responsible to him for the conduct of the main branches of the training organization.

Carrying out policy relating to air operations is the responsibility of the Air Member for Air Staff, who directs plans for air operations, requirements for and training of Home War Establishment units. It might be said that every other division of the Air Force exists so that this branch may function.

Directly under his jurisdiction comes a deputy, who is a member of the Canada-United States Permanent Joint Defense Board and also a member of the joint planning subcommittee of the Chiefs of Staff Committee.

Also directly under his jurisdiction comes a second deputy who has control of the directorates of operations and operational requirements, and the deputy directorates of flying control, aircraft safety and sea rescue services, aircraft detection corps and marine craft. He is responsible to the Air Member for Air Staff for the day-to-day conduct of operations.

Under the director of plans for home war policy come such vital questions as the air defense of Canada, development of home war projects, liaison with the Department of Transport, operations on east and west coasts.

Under a second director of plans concerned with joint planning is found the problems connected with joint Canada-United States plans, joint service plans, and Canada-United States-United Kingdom plans, including routes for ferrying planes over the Atlantic.

A Director of Operations, still under the A.M.A.S., has authority over actual air operations in defense of the country, preparation of headquarters operation orders, the allocation of operational units and aircraft and interservice co-operation.

Many Facets

Then there are bomber, reconnaissance and fighter operations, non-operational flying, army co-operation and training for these various branches of flying; there is the responsibility for equipment and supplies required for operations; there is the intelligence branch, covering many phases of security, gathering and dissemination of intelligence, liaison with foreign air attaches and interpretation of operational photographs.

The Director of Signals, himself the head of a large and important department of the service, also comes under the A.M.A.S., as does armament, radio direction finding, photography and the highly important airdrome defense branch.

The Air Member for Aeronautical Engineering bears the responsibility for approval of type and design of aircraft, for determining a craft's airworthiness, and for its acceptance. He must direct the inspection of R.C.A.F. equipment during manufacture and while it is under repair.

With the exception of buildings and airdromes, and fixed utilities connected with them, all research, specifications, development, repair and maintenance in connection with Air Force equipment comes under his branch.

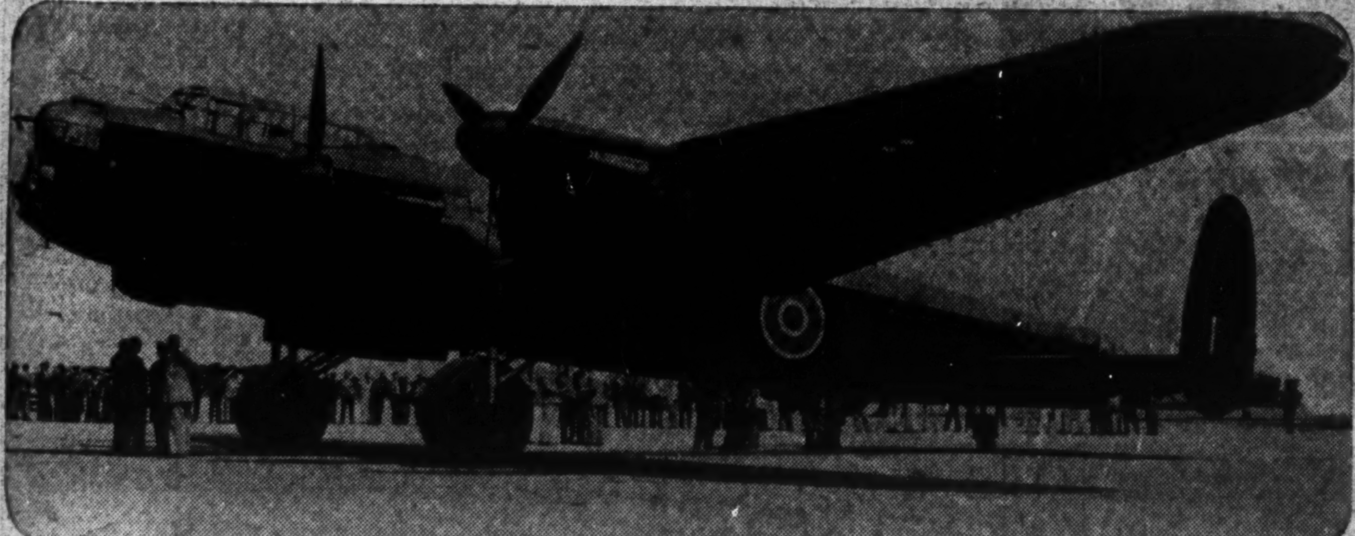
Supply Service

Administration of the supply services rests with the Air Member for Supply, who also lays plans for future supply requirements and distribution. He buys through the Munitions and Supply Department, but he is responsible for ensuring that the air force gets what it needs, where it needs it and when it needs it. His job involves co-operation with various controllers and with the Wartime Prices and Trade Board.

He effects liaison with army headquarters on questions of rations, and he is responsible for procurement and distribution of airframes, engines and spare parts, aircraft, motor transport and marine craft equipment and technical supplies.

The Air Member for Accounts and Finance, whose duties involve supervision of expenditures for the entire air force, rounds out the Air Members who sit on the Air Council. He watches over the enormous expenditures needed to maintain the air force as a major weapon in the United Nations' arsenal.

The activities of every member of the council are closely related to and integrated with one another, and knit together into one picture, with the Air Minister at the top.



The Avro Lancaster, mightiest of Britain's bombers and the first of its kind to arrive in Canada.

Bomb Rack and Ruin for Hitler

All Canada saluted the recent arrival of the first Avro-Lancaster, the mightiest of Britain's bombers, especially because it is now to be produced in Canada.

We are proud we are honored with that production task and that far-sighted vision and planning found us ready with the only plant in Canada large enough to make these giants of the air.

With a wing span of 102 feet, able to carry a bomb load of 8 tons and a flying range of 3000 miles, these Canadian-made Lancasters will ultimately spread bomb rack and ruin to Hitler's hopes — and add another inspiring chapter to Canada's industrial production and striking power for Victory.

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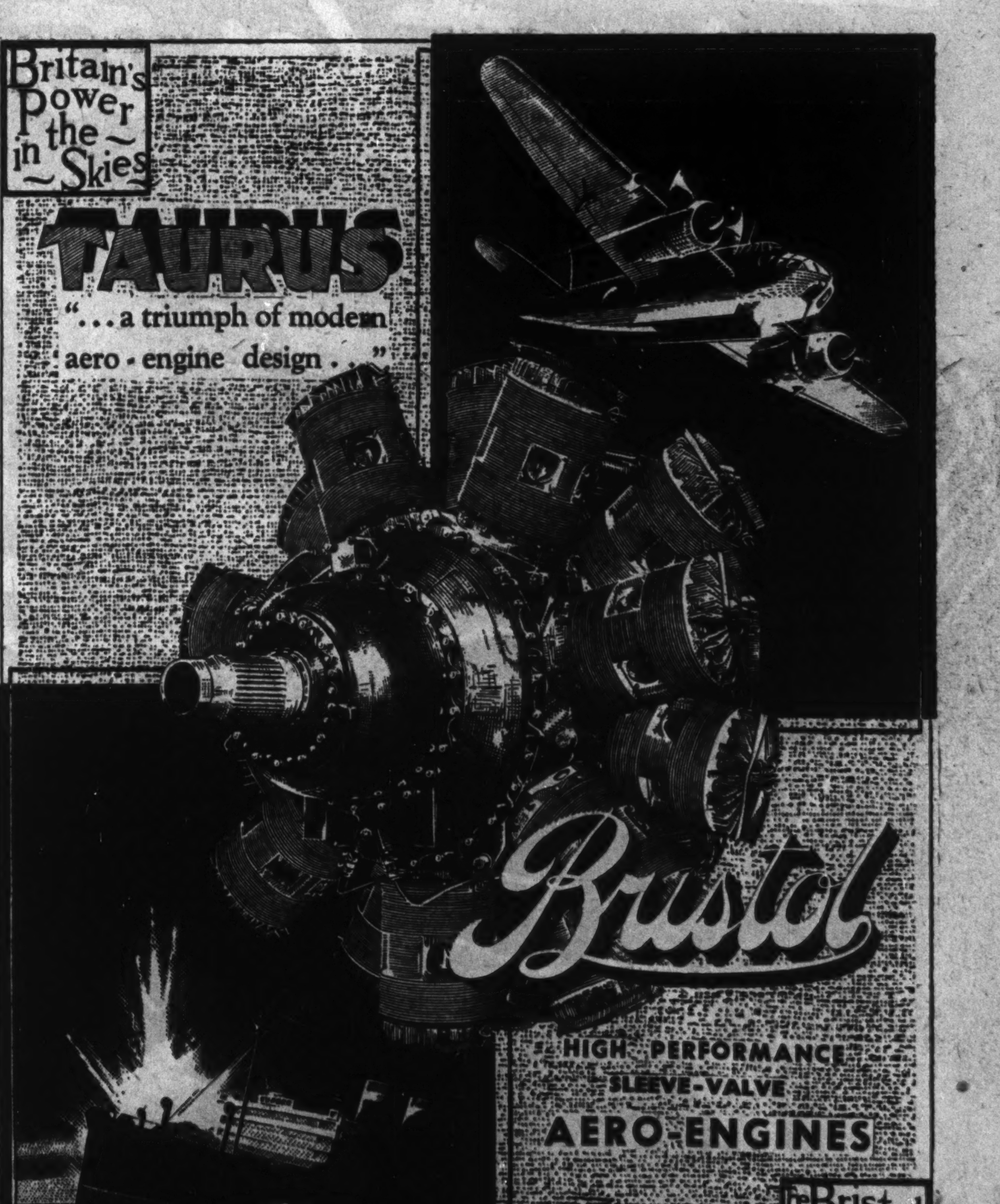
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They Look for 1.8 Billion

Canada's Loan Machinery Gets Set For Its Toughest Job

No phase of Canada's war drive has been more shrewdly, more expertly planned than the fiscal effort.

Canada entered the war with a financial blueprint ready for use. As early as 1938, the problem of foreign exchange control was foreseen. Steps were taken to prepare a skeleton organization and statutory machinery to meet the emergency when it came. On Sept. 16, six days after Canada declared war on Axis powers, the machinery was set in motion under the supervision of the Foreign Exchange Control Board.

It has kept Canada's financial strait jacket laced tight now for over three years. It is high tribute to the temper and intelligence of that organization, that Canada has continued to attract foreign capital throughout these three years despite the barriers that have been erected; barriers which as a rule isolate a nation completely from the flow of international investment.

Ilsley Directs

Financial policy stems directly from the Department of Finance. Through most of the three years of war, the directing minister has been Hon. J. L. Ilsley, steadily growing in stature because of his sincerity of purpose, honesty of conviction. Behind him stands a small group of civil service experts in the Department of Finance itself, and the technical brains and facilities of the government's fiscal agents—the Bank of Canada. Thus Dr. W. C. Clark, Deputy Minister of Finance, and Graham Towers, governor of the Bank of Canada, stand at the fountainhead of fiscal policy. Dr. Clark, in addition to his departmental responsibilities, is chairman of the government's General Advisory Committee on Economic Policy of which Mr. Towers is also a member. The influence of the Bank of Canada has broadened, as many potent wartime agencies have drawn largely on the bank's experts that it had trained and accumulated since its inception.

Donald Gordon, for example, was the first chairman of the Foreign Exchange Board. He is now chairman of the Wartime Prices and Trade Board. His deputy, James E. Coyne, was trained by the same mentors.

Floating Loans

Canada's tax collection machinery is the responsibility of the Department of National Revenue under Hon. Colin Gibson which splits into three branches — Income Tax under C. Fraser Elliott; Excise under David Sim and Customs under Hugh D. Scully.

Besides the price control machinery and the Foreign Exchange Control Board, the major new wartime responsibility of the Department of Finance is the National War Finance Committee now charged with responsibility for floating Canada's new $750 millions Victory Loan.

The National War Finance Committee came into existence early this year. It replaces two organizations: the 2,400 local War Savings Committees which had been functioning on a voluntary basis since May, 1940; and the Victory Loan Committees which came into action periodically to put across the "blitz" campaigns which since the outbreak of war have collected over $2 billions of new money from Canadian investors.

In addition, there had been sold up to the end of August, 1942, approximately $167 millions of war savings certificates and stamps which (after allowance for redemption), had netted the government at that date about $154 millions. Sales of stamps alone up to the end of June, 1942, had produced about $23 millions, of which about $19 millions had been tendered in payment for war savings certificates. It is estimated that well over two million people a year are now regular purchasers of war savings certificates.

Under the chairmanship of George W. Spinney, on loan to the government from his peacetime job as joint general manager of the Bank of Montreal, the National War Finance Committee is now established as the sole and permanent wartime organization charged with the following responsibility:

1. Develop the maximum amount of voluntary savings from current income of all classes of individuals in Canada.
2. Channel the maximum amount of such savings into Dominion government savings.

The broad programme as laid down in the June budget of Finance Minister Ilsley calls for a borrowing programme of $1,850 millions over and above the $2 billions which the government expects to raise by taxation. Of this, only $95 millions is to be raised by compulsory savings, leaving $1,755 millions (95% of all borrowing needs) to be raised by the sale of Victory Loan Bonds, War Savings Certificates and other securities.

It is this goal of $1.8 billion of voluntary saving at which NWF effort is aimed. Reaching this target represents not only the direct need to finance the war but the voluntary savings drive also aims to syphon off excess purchasing power that might endanger maintenance of the price ceiling.

Of the $1.8 billion, about $600 millions is expected to come from corporations, the balance from private individuals. This means gearing the Spinney machine to the point where it will extract savings and current income from the Canadian people at the rate of $100 millions a month, an increase of almost 300% over pre-budget days.

At Ottawa there has been set up under Mr. Spinney, a central National War Finance Committee comprising 60 citizens representing every province as well as important groups and interests across the Dominion. Under this committee is a central steering or management committee and nine provincial committees which assume complete responsibility for the organization and operation of the programme in their respective areas.

Throughout Canada there are 480 unit committees responsible directly to their provincial chairman. These unit committees may cover a city, country or parish according to local needs and conditions. In some cases they in turn are broken up into sub-units. At Ottawa, there is a National Management committee representing the five divisions of work: administration; general sales; payroll savings; special names; public relations. This management committee together with the provincial chairmen comprises a national executive committee.

There are about 200 people on the paid staff of the organization. This fans out to a permanent voluntary organization of between 15,000 and 20,000 workers. Included in this total are possibly 1,900 investment dealers and brokers who have been giving voluntary assistance in organizing and maintaining the unit organization and who, at the time of a Victory Loan campaign will serve in a "professional" capacity.

Although the vast part of the NWF organization is currently geared to put across the October Victory Loan, a continuing effort to boost the sale of war savings certificates over-the-counter, through payroll deductions and through stamp sales in retail stores, etc., is going forward. In the present Victory Loan campaign special emphasis will be laid on payroll deduction among factory workers and the sale of bonds to Canadian farmers currently harvesting the largest crops in the history of the Dominion.

No Part of Germany is Safe From the Lancaster Bomber

By PETER G. MASEFIELD

Mr. Masefield is Associate Editor of the authoritative British magazine, Aeroplane, and Aviation Editor of the Sunday Times. Here is his authoritative appraisal of the giant British bomber, one of which is now travelling in Canada and the United States.

LONDON.—Four outstanding features contribute to make the new Avro Lancaster four-motor heavy bomber the most formidable machine of its type in the world today.

The first of these is speed. The Lancaster can achieve a maximum speed little short of 300 m.p.h. even with full load. As a result a long chase must result if Axis fighters have to climb up and attempt to catch the Lancaster with little warning. The fighter may even run out of fuel before it can intercept. This high speed of the Lancaster has made it specially suitable for the long daylight raids in which it has won so much fame—more than 600 miles out from home to Augsburg—more than 700 miles to Danzig.

The second feature is the enormously heavy bomb load. A maximum load of 15,800 lb. of bombs can be carried in the huge bomb compartment, 33 feet long.

This enormous maximum load can be carried for more than a thousand miles whereas with a load reduced to several tons the range goes up toward the 3,000 miles mark. No part of Germany is safe from the great striking power of the Lancaster.

The third feature is the powerful defensive armor which it carries into battle. Four hydraulically operated gun turrets contain ten guns and all can be aimed with precision and turned at a touch of the hand even when a 300 miles an hour airstream is roaring past. The four guns in the tail are fed by long ammunition tracks extending along the sides of the rear fuselage so that in a long fight there is no danger of running short of ammunition.

Can Smash Fighter Attacks

There are no blind spots on the Lancaster, except those inevitable from the small area blanketed by the fins and rudders. But that area is too small to shield an attacking fighter.

On a recent raid more than a dozen Lancasters set off from one station. All returned a few hours later and when the bag was counted up they were found to have shot down four German fighters between them without loss.

Several bore many bullet holes and had been hit by cannon shells, but the Lancaster will stand an enormous amount of punishment. All the vital parts are armored—in fact in all something like half a ton of armor plate is carried, some of it built in as an integral part of the structure.

The Lancaster is almost invulnerable to machine gun fire and cannon shells have to hit a lucky part to bring it down.

There is a fourth strong point—production. Very careful planning before production began has made the Lancaster the easiest heavy bomber to build which is yet flying. The man-hours—and the "woman-hours," for 40% of the workers on Lancaster production are girls—have been cut down to an extraordinary extent and far below the smallest figure believed possible not very long ago.

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TRAINING CRAFT

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Target for to-night

"A wrong label on a cartridge can cause a wrong signal. A wrong signal can destroy a plane and its crew, perhaps a squadron. A defective flare can be more costly in lives and money than a defective bomb or shell. By the colour of a flare a squadron of flyers can live or die. Such is the importance of pyrotechnic signals in modern war."

On parachute flares the bomber aircrew depend for lighting brilliantly, "Target for Tonight"— or for forced landings by night — or for lighting the enemy's terrain ready to photograph.

We are proud that our task is to provide the brave flying lads of the United Nations with a complete range of Flares, Pyrotechnics and Sea Markers, and other equipment in this highly important part of the Road to Victory.

MACDONALD METAL PRODUCTS CO., LIMITED
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School for "Angels"

Commonwealth Fliers Get Diplomas in Canada, Take Their Post-graduate Work Over Berlin

The sky blue flag of the Royal Canadian Air Force, with the Union Jack in the upper left hand corner and the red maple leaf in the dark blue ring on the fly, floats proudly over a tall building in Ottawa.

This is headquarters, the nerve centre, of the R. C. A. F. Here are the offices of Air Minister Charles Gavan "Chubby" Power, of Air Marshall L. S. Breadner, chief of air staff, and of such men as Air Marshal "Billy" Bishop, V.C., Canada's greatest ace of the last war.

This is where the huge British Commonwealth Air Training Plan was plotted on paper —a scheme so vast that many believed it impossible of attainment. From here were issued the directions which made this dream of a university of the air materialize into schools, air stations and airports scattered from the Atlantic to the Pacific.

Into this building filter reports from these schools and stations, about 140 in number, which are training tens of thousands of airmen a year. Thousands of their graduates are fighting now over Europe, Africa and Asia, and striking devastating blows at the enemy.

All the while more and more men are being trained, and war plants of the United Nations are turning out more and more aircraft. All the while, the air weapon of the democracies grows mightier—comes nearer the day when it shall blacken the skies over Germany, Italy, Japan.

As one of the main forges on which the human element of this weapon is being shaped, the British Commonwealth Air Training Plan trains not only Canadians, but young men from Britain, Australia, New Zealand and some from other countries. Before Pearl Harbor, volunteers from the United States came in large numbers.

Those who come from outside the Dominion have generally had some preliminary training.

The raw recruit, who joins up in Canada, takes his oath of allegiance and his first medical test at a recruiting centre, then is assigned to a manning pool, where he is converted from a civilian into a blue-uniformed aircraftman second class, at pay of $1.30 a day. He puts in hours each day at physical training, learns to march, learns discipline.

From here ground crew are posted to stations where they take courses in their various trades—motor mechanics, radio, fabric work, scores of different lines. They far outnumber those who become air crew, and can get by with somewhat lower physical qualifications. They fill a vital place—are the men behind the men who fight the dogfights and drop the bombs. It's estimated that it takes ten men on the ground to keep one man in the air.

Wireless air gunners go from manning pool to wireless school, then to bombing and gunnery school.

Other fledging airmen go to I.T.S.—initial training school. Here they take classes in mathematics, air force law, armament. They are given stiff medical and other tests to find out whether they have "flying aptitude," whether they should become pilots, air navigators or air bombers. We don't train air observers any more. The functions of the observer have been divided, and the lad who would have gone through as an observer specializes as a bomber or navigator.

The rookie's brain waves are measured by the electroencephalograph, to ascertain the speed of his reactions; he goes into the compression chamber, where he is taken to the pressure equivalent of 25,000 feet altitude to check his tolerance to lack of oxygen; his eyesight is double-checked. In one test, for night sight, he sits in a darkened room, straining to see the symbols on the wall.

Link Trainer

The pilot's eyes must have perfect muscular balance. This is not necessary for navigators, bombers or air gunners, although, oddly enough, they must have greater visual sharpness even than the pilot.

At I.T.S. the student gets a taste of navigation, learns to recognize the silhouettes of 40 allied and enemy aircraft, is taught how to tap out six words a minute on a wireless buzzer.

His first big thrill comes when he climbs into the Link Trainer, a land-bound contrivance shaped like an airplane which moves up, down, sideways and around, very much as a plane in the air, and can simulate a spin, a dive or a crash.

Its performance is so realistic that those who try it sometimes get air sick.

The controls of the Link Trainer are like the controls of an airplane, and, moving on its sockets inside a circular room with clouds, fields and lakes painted on the walls, it reacts as a plane would.

The instructor gives the student his course and air speed; tells him to hold it. Some recruits show, right at this stage, that they will not make good pilots. Others, without ever leaving the ground, circle imaginary skies with the facility of experts.

It is at I.T.S. that air crew get the white ribbon sewn on their caps to distinguish them from ground crew. So important is the training they receive here that the period of instruction has been lengthened and made somewhat tougher within the last year. Those who pass become leading aircraftmen and qualify for pay of $1.50 a day plus 75 cents flying pay.

Next, for pilots and navigators, comes E.F.T.S.—elementary flying training school—while air bombers go to bombing and gunnery school.

At E.F.T.S. the student gets his goggles, helmet and flying suit, and his first actual instruction in the air.

With hands and feet on a set of controls which duplicate those manipulated by the instructor, he acquires the "feel" of banking, turning, diving and landing. After eight or 10 hours of this dual flying, the instructor will probably decide his pupil is ready to solo.

"Take it up yourself," he'll say. That's the most memorable moment in the life of every pilot. It is also the most severe nervous strain he faces in his training period. He must make this solo within 14 hours; if he can't do it by then, he'll never make a successful flier. Some pupils, soloing for the first time, circle the landing field again and again before daring to come down.

A few of the student pilots don't get to the solo stage; are found to lack the necessary aptitude. That's nothing against them; doesn't reflect in any way on their courage or other qualities. It's just that piloting a plane is something you can or can't do. Some men are born fliers; others aren't.

24-hour Check

Next big barrier the pilot must cross in his career is the "24-hour check," when he goes up with an instructor as his passenger, to demonstrate his ability at turns and forced landings, his airmanship, etc.

Last elemental check, and the most rigid, is after the student has had 50 hours of flying time.

In this, borderline cases don't make the grade. Unless a man can prove himself a flier, he doesn't get through. Air force authorities take the attitude that there is no use being lenient in this test. There is no taking a chance on an airman.

Being Watched

While all this is going on, the men are being classified by their officers. Those who are steady, responsible and able are usually earmarked for twin-engine schools, where they will be trained as bombers. Others, just as able at the controls but with a high-spirited disregard for safety, are directed to single-engine schools for advanced training as fighter pilots.

It takes a reckless, adventurous temperament to make a top-notch fighter pilot. But the "screwballs," those who carry recklessness to the point of foolishness, are not wanted.

Classic is the rebuke one officer aimed at two students who were guilty of stunting at low altitudes.

"If you'd have killed yourselves," he said, "it wouldn't have mattered much, because fliers without brains are of no value. But the air force can't afford to have aircraft smashed up."

Service Training

From E.F.T.S., pilots go on to S.F.T.S.—service flying training school.

Navigators go to A.O.S.—air observers' school. A.O.S. is also where air bombers wind up to complete their course.

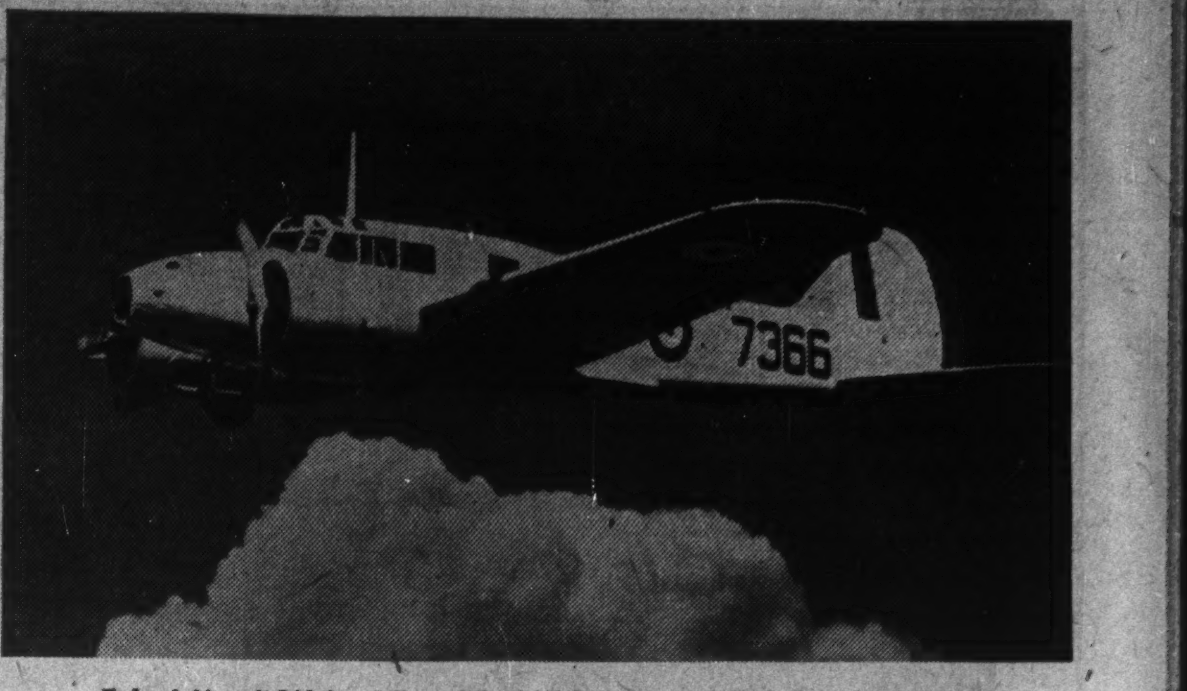
At S.F.T.S., fliers are expected to learn the tricks of the trade. They know the rudiments when they arrive; now they are polished, initiated into the intricacies of such things as retractable undercarriages, controllable pitch propellers, superchargers, wingflaps. The airman studies his instrument board until he can reach out blindfolded and touch any one of about 30 instruments; he gets instruction in instrument and night flying; in flying to a fixed course. He learns to fly a course "blind," and also takes formation flying.

Graduating, he gets his "wings" and the three stripes of a sergeant pilot. His pay is increased to $2.70 a day and $1 a day flying allowance.

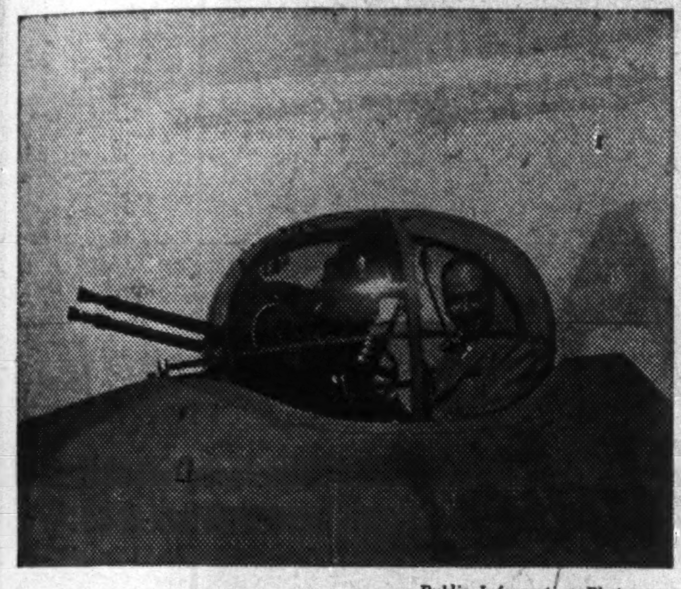
Commissions Given

About one-third of the graduates are commissioned as pilot officers after a 10 day leave. Others are posted to overseas squadrons, and many of them are commissioned in Britain. Still others are picked as sergeant-pilot instructors, and take instructors' courses at Central Flying School, Trenton. Those chosen as instructors usually prefer action, but they realize that they have a necessary place in the scheme of things.

The Air Training Plan could not have grown to its present proportions if many of the students had not been made instructors when they completed their training. Only the continuation of this process enables that growth to continue. At last reports, the huge plan required a staff of close to 50,000, and this was still expanding.



Federal Aircraft Ltd. has delivered the 1,000th Anson aircraft produced by the company in 1942, here shown in test flight. The Canadian Anson, a counterpart of the British Avro Anson, is a light reconnaissance bomber, now used as a twin-engined advanced trainer. This craft, used by the R.C.A.F., is entirely Canadian made with the exception of the engines and a few of the instruments. As the air offensive mounts, the need for bomber crews increases.



Public Information Photo.

Ralph P. Bell, director-general of aircraft production, is the man responsible for Canada's programme of airplane manufacture. Here he inspects a gun turret on the Avro Lancaster, Britain's famous four-engined bomber which will shortly start rolling from the assembly lines of one of Canada's largest aircraft factories.

Balloon Herding Girls' New Job

The silver barrage balloons which help to guard London, most of which had received male crews are now being given masculine labels as more and more women of the W.A.A.F. take over these responsible duties. The crew of confident, trained women who took over the first balloon changed its name from "Gloria" to "Romeo." These W.A.A.F. girls are releasing men for sterner work and as they proceed with their quiet courage, the sky above them is filled with silver flashing Charlies and Billies instead of Minnies and Marias.

FIGHTER! . . .

Many R.C.A.F. Spitfire pilots, bomber pilots, observers and air gunners were first introduced to flying in a CUB-Built trainer . . . and our facilities today are devoted to trainer maintenance . . .

To relieve your wartime business pressure, urgent trips can be quickly made in today's smooth flying CUB COUPE . . .

Make Speed your ally on the home front . . . Enquire today about modern CUB flying . . .

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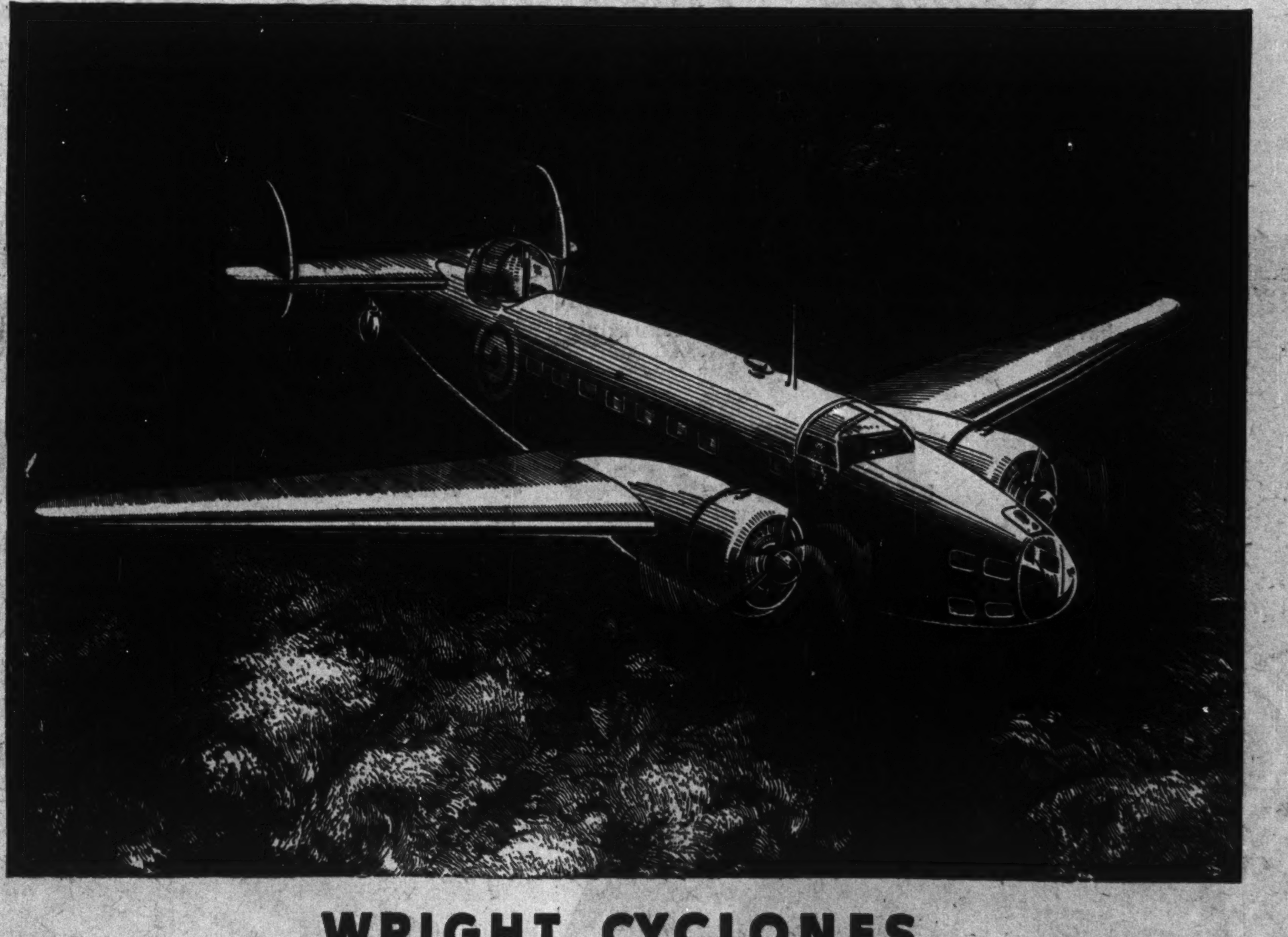

WRIGHT CYCLONES
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BRITISH "HUDSON"
LOCKHEED B-14 BOMBERS
ordered by the
BRITISH AIR MINISTRY

The imposing fleet of British "Hudson" twin-engined reconnaissance-bombing planes — the Lockheed Aircraft Company's B-14 type ordered for the Royal Air Force of Great Britain—will be powered exclusively by 1100 H.P. Wright Cyclone engines.

A military version of the Wright Cyclone-powered Lockheed 14 Transport with which Howard Hughes flew around the world in the record time of 3 days and 19 hours, the "Hudson" ranks as one of the swiftest and most efficient bombardment types ever developed. Its speed, cruising range and great striking power make it an important addition to the British Empire's aerial fighting forces.

The Lockheed 14 Transports, from which this advanced bomber version was developed, are now in regular service on airlines both here and abroad, notably on British Airways, K. L. M. (Royal Dutch Air Lines), Roumanian Air Lines, and K.N.I.L.M. (Royal Netherlands Indies Airways), where they are powered by Wright Cyclones.

"Fly With Wright The World Over"

CANADIAN WRIGHT LIMITED
MONTREAL CANADA

WRIGHT *Aircraft* ENGINES

R.C.A.F.
OFFICIAL

A New Zealand Sergeant points out features of the Jacobs engine in an Avro-Anson to Leading Aircraftsmen from Australia, Canada and the United States (in the R.C.A.F.).

R.C.A.F.
OFFICIAL

Twin-engined Cessna "Cranes", powered with Jacobs engines, take off in formation from one of Canada's Training Stations, while other "Cranes" are being serviced for flight.

TRAINED in CANADA-

From Democracies All Over the Globe!

One of Canada's greatest contributions to the common cause of Victory is the British Commonwealth Air Training plan.

Officially brought into being on December 17th, 1939, this plan has broadened into a great "University of the Air" turning out thousands of Pilots, Observers, Air Gunners, Wireless Operators — including Australian, New Zealand, English, Canadian and American (in the R.C.A.F.) airmen — who have added to the vast cloud of our increasing air superiority.

In addition, many other nationals of the United Nations have come for training in the Commonwealth plan.

Canada was a natural field for this air training development because of Canada's progressiveness in the commercial use of aeroplanes in pre-war years.

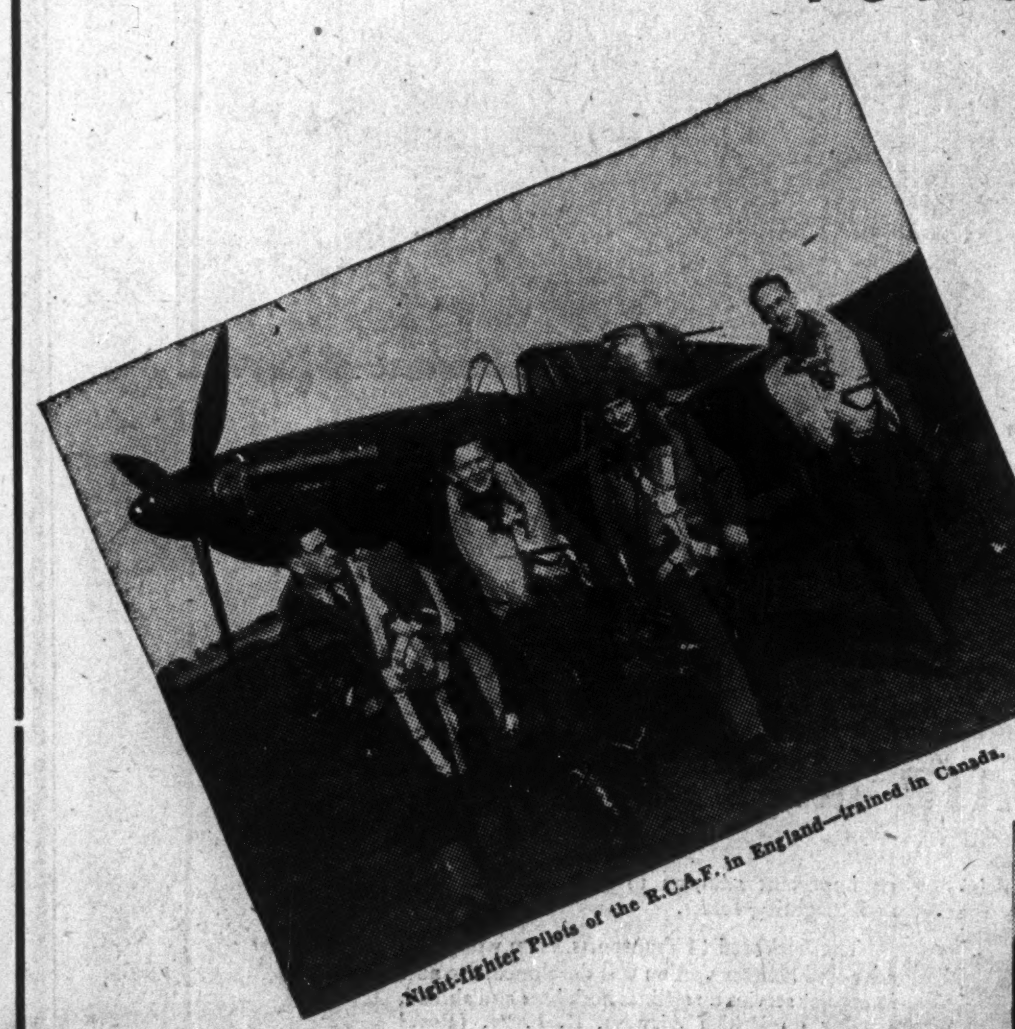
In this pre-war northern commercial flying, the Jacobs engines demonstrated their ability to perform under the most severe conditions.

Today we are honored that the Jacobs-powered Avro-Ansons and Cessna "Cranes" in the Commonwealth Air Training plan, as well as the AT-17 "Bobcats" of the U. S. Army Air Forces, enable us proudly to say that *Jacobs Engines are now powering more twin-engine Trainers than all other engines combined.*

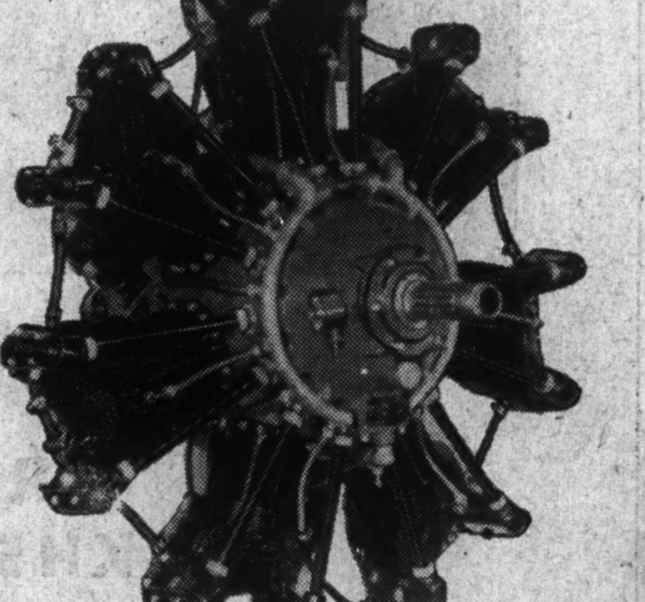
Hats off to the airmen who train in Canada and fly on all fronts toward Victory.

JACOBS AIRCRAFT ENGINE CO.

POTTSTOWN, PENNSYLVANIA, U.S.A.



Night-fighter Pilots of the R.C.A.F. in England—trained in Canada.



A Canadian-Trained Bomber Crew in England.

Diversified nationalities in the British Commonwealth Air Training Plan. From left to right: a former member of the Czechoslovakian Air Force, Free French Air Force, former Polish Air Force, Free French, Royal Australian Air Force, Royal Marines Fleet Air Arm, Royal New Zealand Air Force, Royal Air Force, R.N.Z. Navy, Fleet Air Arm, and R.C.A.F. member from the United States.

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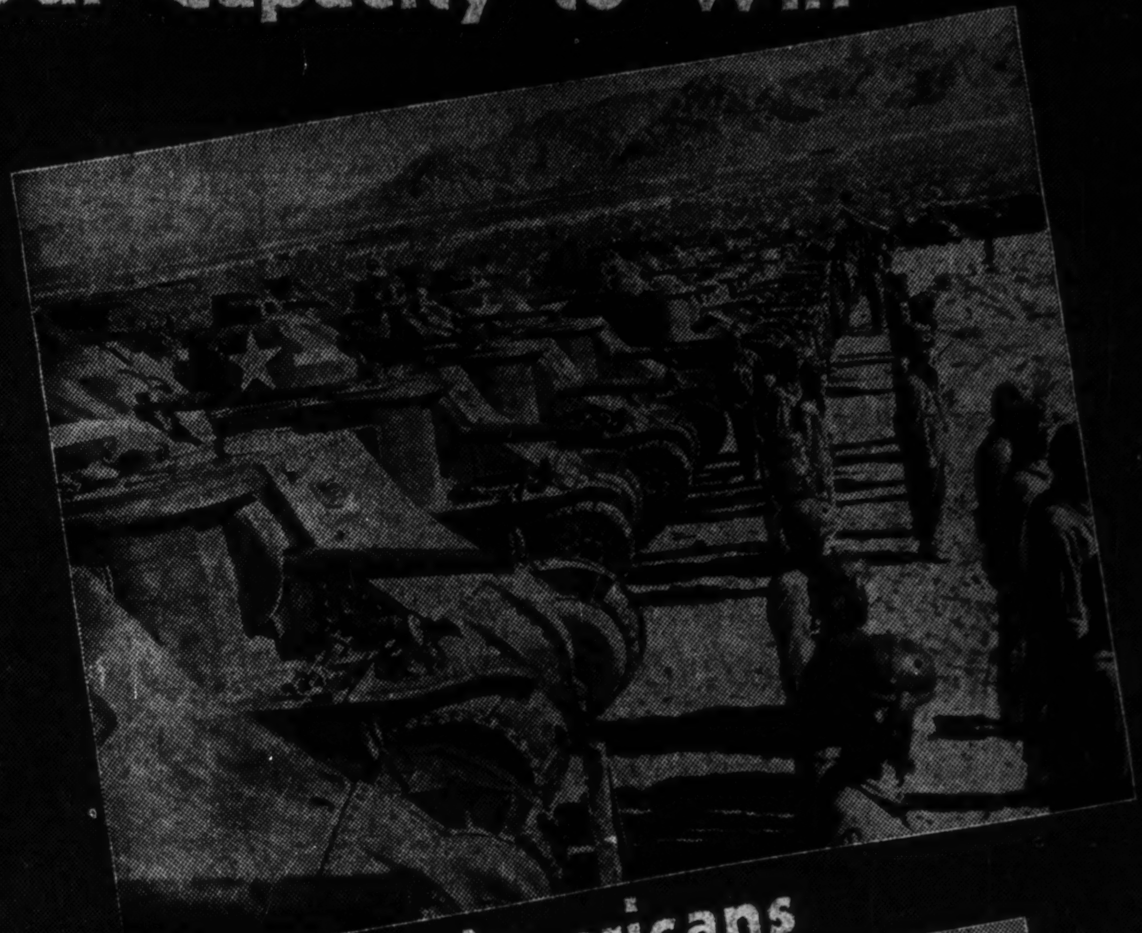
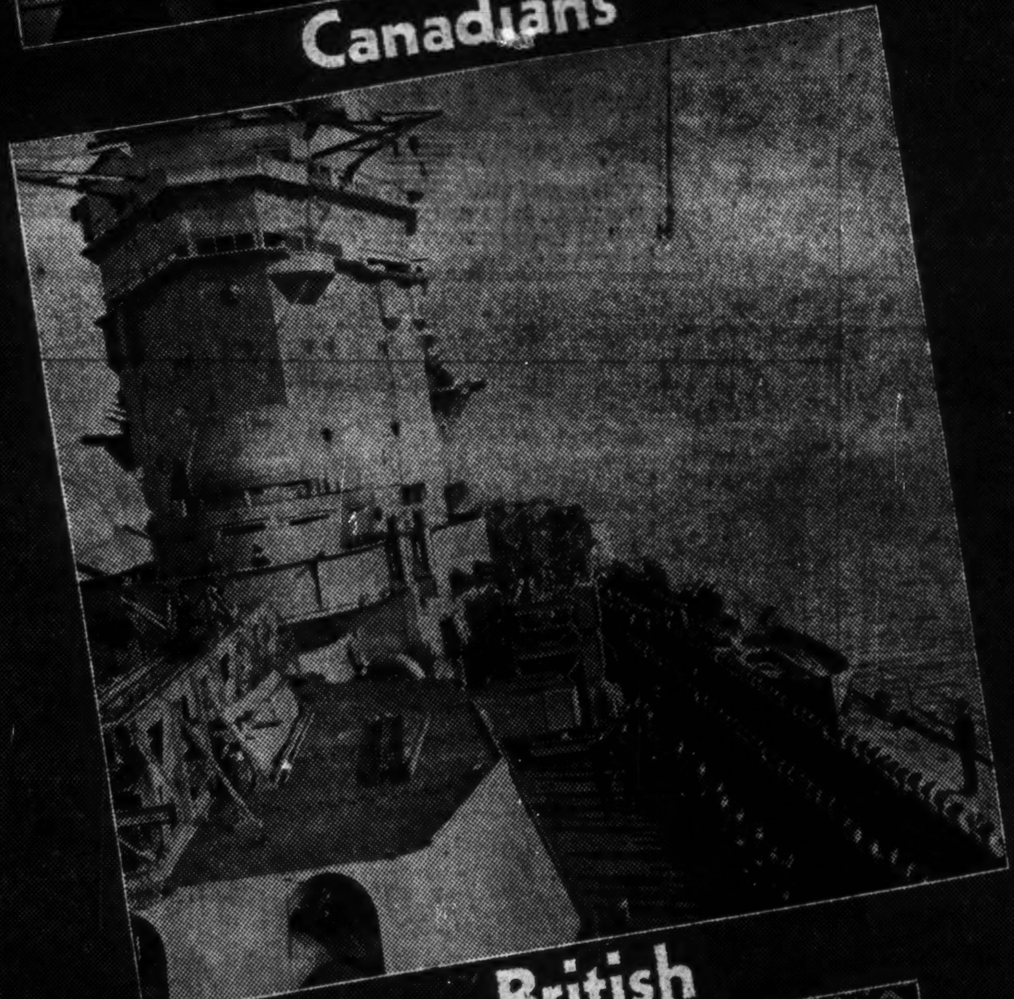
DEMOCRACIES' UNITED FRONT

A Stocktaking of Our Capacity to Win

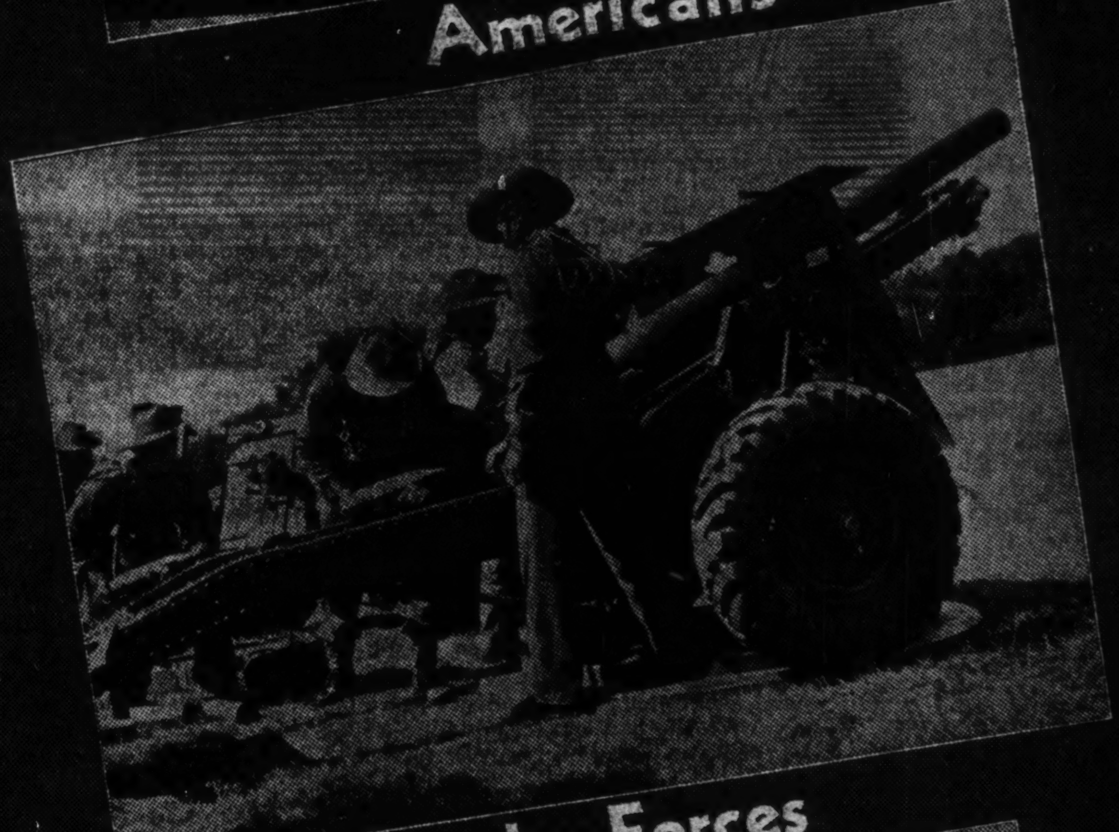
Canadians



Americans



British



Empire Forces

Russians

Chinese

United Nations

- Australia
- Belgium
- Brazil
- Britain
- Canada
- China
- Costa Rica
- Cuba
- Czecho-Slov.
- Dominican R.
- El Salvador
- Ethiopia
- Free France
- Greece
- Guatemala
- Haiti
- Honduras
- India
- Luxembourg
- Mexico
- Netherlands
- New Zealand
- Nicaragua
- Norway
- Panama
- Philippines
- Poland
- South Africa
- Soviet
- United States
- Yugoslavia

Production on Parade
One of a Monthly Series

MEN OF THESE NATIONS, WHICH HAVE BEEN LEADING THE VAN IN FREEDOM'S WAR ON FRONTS AROUND THE WORLD, GET MORE AND MORE AID FROM THE EMBATTLED HOST OF THE BELLIGERENTS HERE LISTED

Foundation of the things for which free men are fighting is the Atlantic Charter. Here Prime Minister Churchill hands to President Roosevelt a personal letter from King George on the occasion of their meeting aboard the U. S. cruiser "Augusta." Out of this meeting came the Atlantic Charter.

The Atlantic Charter: A New Hope For Warring World

On Jan. 8, 1918, President Woodrow Wilson enumerated to the United States Congress 14 points on which he believed a lasting peace could be based.

Weakened by one blow after another, fighting with their backs to the wall, the Allies were on the verge of despair. Yet here was Wilson, professor turned statesman, propounding principles for a settlement of world conflict—a settlement predicated on Allied victory.

The impact of Wilson's 14 points was not seen immediately, but once Germany and Austria-Hungary experienced reverses it soon became apparent. There is little doubt that it hastened the Armistice, or that it was a factor in the collapse of morale on Germany's home front. German militarists have never admitted a defeat of German arms. They claim they were beaten by internal strife.

On Aug. 14, 1941, President Franklin Delano Roosevelt and Prime Minister Winston Churchill met at sea, drew up the Atlantic Charter.

This incorporated the most important of Wilson's 14 points, was, in fact, so similar to the 1918 pronunciamento that to some it sounded "warmed up."

Social Security

But tnere were differences. For one thing, the Atlantic Charter placed greater emphasis on economic than on political solutions. It pledged the Prime Minister and the President to strive for "improved labor standards, economic adjustments and social security"—for all.

This was not propaganda in the dictionary sense of the word. It simply put on paper the determination of the democracies to build a world of peace and security and never again to permit such economic conditions as those which spawned Hitler and Mussolini.

The Atlantic Charter declared that all states, victor or vanquished, shall have access to markets and raw materials—this on the principle that free trade and peace go hand in hand, and that prohibitive trade restrictions are a major cause of war.

Wilson held this opinion when he framed his 14 points. He promised removal of trade barriers. He saw his dreams smashed at international council tables; found himself repudiated by his own countrymen.

Frederick Burchall, New York Times correspondent who won the Pulitzer prize for his dispatches on the rise of Nazidom, is one of those who maintain that the compromise which resulted—a sort of middle course—was the worst which could have been brought about.

In other words we should have divided Germany into small, feeble states, demolished her heavy industry, reduced her to a peasant economy, or we should have given tangible and practical encouragement to the liberal leaders who tried to build a democratic republic. It can be argued that if this republic had succeeded, Hitler would still be a paperhanger.

A League of Nations as Wilson envisaged could probably have held the Germans in line and enforced armament limitations. But the League was born a cripple, lacked the power to enforce its edicts, was always a magistrate without a police force. Democratic nations grew opulent in the Twenties, took peace for granted. When the Thirties brought "incidents," when the Japs set out to "develop" China; when Mussolini gloated about the glory of war, ordered his Fascisti to act like "lions," sent his bombers against African tribesmen, and finally when the Fascists tested their weapons in the laboratory of Spain and Hitler reoccupied the Rhine, the democracies looked the other way. The League was degraded into a bureau for gathering international statistics and a butt for cynical jokes.

Pledge of Nations

Wilson's 14 points were little more than a personal manifesto. The Atlantic Charter, with its eight points, was signed by Roosevelt and Churchill as heads of their respective nations, committing them to a common policy. Further, it was subsequently endorsed by the United Nations, and by the American republics represented at the Rio conference.

Feb. 23, 1942, a step was taken to implement the economic principles set forth in the Charter.

This was the Mutual Aid Agreement, which declared that the U. S. will not require Britain to make lease-lend payments in such a way as to "burden commerce between the two countries" but instead will "promote mutually advantageous economic relations between them and the betterment of worldwide economic relations."

The last point of the Charter refers to the "establishment of a wider and permanent system of general security," implying some form of League of Nations. This is not amplified, but there have been statements by men close to the President of the United States and the Prime Minister of Britain which imply what is proposed.

Cordell Hull, U. S. Secretary for War, said this: "It is plain that some international agency must be created which can, by force if necessary, keep the peace among nations in the future (and act as) an international court of justice . . ."

Sumner Welles, U. S. Undersecretary of State, not long ago spoke of "an international police force."

Several similar pronouncements have been made in Britain.

Mr. Hull is one of the strongest protagonists of free trade. In the same address in which he referred to an international court of justice, he aserted that "excessive trade barriers of the many different kinds must be reduced."

In the United States, Clarence Streit is said to have strong support for his "Union Now" movement, which calls for a federation of democratic nations) with other states being brought into partnership as they prove themselves worthy.

Postwar Planning

Postwar planners point out that a realistic discussion of postwar possibilities should create new hope for the future among our own citizens, our allies and our enemy.

They also point out that when hostilities end, a war-weary world, tired of shortages, of privation, of sacrifice, will clamor for an immediate settlement. The peace conferences will be carried on in the same atmosphere of urgency as after the last war, with the same demand for haste.

Unless there is a plan—unless opinion of the United Nations crystallizes along concrete lines, unless some unanimity of opinion can be reached—those who sit at the peace table will find themselves at cross-purposes, fighting a battle of words and opinions and behind-the-scenes intrigue. If this is the case, the same mistakes may easily be made again, and the coming generations may have to march off to war like their fathers and grandfathers.

A commission appointed by the government to find facts and make recommendations is given "terms of reference," which define the field of enquiry, the scope of subjects to be examined.

The Atlantic Charter provides "terms of reference" for the planners. It sets out principles and objectives. How to put those principles into effect, how to make those objectives materialize, how to secure the peace permanently—these are questions to which answers must be found by our best economists, our best political minds, and must be found before it is too late.

World War II's Eight Points

1—Great Britain and the United States seek no aggrandizement, territorial or otherwise.

2—They desire to see no territorial changes that do not accord with the freely expressed wishes of the people concerned.

3—They respect the right of all peoples to choose the form of government under which they will live; and they wish to see sovereign rights and self-government restored to those who have been forcibly deprived of them.

4—They will endeavor, with due respect for their existing obligations, to further the enjoyment of all states, great or small, victor or vanquished, of access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity.

5—They desire to bring about the fullest collaboration between all nations in the economic field with the object of securing, for all, improved labor standards, economic adjustment and social security.

6—After the final destruction of the Nazi tyranny, they hope to see established a peace which will afford to all nations the means of dwelling in safety within their own boundaries, and which will afford assurance that all men in all the lands may live out their lives in freedom from fear and want.

7—Such a peace should enable all men to traverse the high seas and oceans without hindrance.

8—They believe that all of the nations of the world, for realistic as well as spiritual reasons, must come to the abandonment of the use of force. Since no future peace can be maintained if land, sea or air armaments continue to be employed by nations which threaten, or may threaten, aggression outside of their frontiers, they believe, pending the establishment of a wider and permanent system of general security, that the disarmament of such nations is essential. They will likewise aid and encourage all other practicable measures which will lighten for peace-loving peoples the crushing burden of armaments.

World War I's Fourteen Points

1—Open covenants for peace openly arrived at, after which there shall be no private international understandings of any kind.

2—Absolute freedom of navigation upon the seas outside territorial waters alike in peace and in war, except as the seas may be closed in whole or in part by international action for the enforcement of international covenants.

3—The removal, so far as possible, of all economic barriers and the establishment of an equality of trade conditions among all nations consenting to the peace and associating themselves with its maintenance.

4—Adequate guarantees that national armaments will be reduced to the lowest point consistent with domestic safety.

5—A free, open-minded and absolutely impartial adjustment of all colonial claims.

6—Evacuation of all Russian territory, and such settlement of all questions affecting Russia as will secure the best and freest co-operation of the other nations of the world in obtaining for her an unhampered and unembarrassed opportunity for the independent determination of her own political development.

7—Belgium must be evacuated and restored without any attempt to limit the sovereignty which she enjoys in common with all other free nations.

8—All French territory should be freed, and the wrong done France by Prussia in 1871 in the matter of Alsace-Lorraine should be righted.

9—A readjustment of the frontiers of Italy should be effected along clearly recognizable lines of nationality.

10—Austria-Hungary should be accorded the freeest opportunity for autonomous development.

11—Rumania, Serbia and Montenegro should be evacuated, occupied territories restored, Serbia accorded free and secure access to the sea, and the relations of the several Balkan states to one another determined by friendly counsel along historically established lines of allegiance and nationality.

12—The Turkish portions of the present Ottoman empire should be assured sovereignty, and the Dardanelles should be opened as a free passage.

13—An independent Polish state should be erected which should be assured a free and secure access to the sea, and whose political and economic independence and territorial integrity should be guaranteed by international covenant.

14—A general assembly of nations must be formed under special covenants for the purpose of affording mutual guarantees of political independence and territorial integrity to great and small states alike.

STOP

Go easy on the FRILLS-- order it VSP*

Today every pound of metal and every man-hour is urgently needed for munitions and armament. When you order special arrangements, metal enclosures and other refinements in electrical equipment, it means less for the fighting forces.

That is why we urge you whenever possible to order standard equipment with every frill eliminated — these can be added *after* the war. By doing so you save money and make a genuine contribution to Victory.

For the Duration
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STANDARD
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SIMPLIFIED

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Weston's go active

OUR factories are working at top speed to help fill the biscuit needs of the armed forces.

We regret our inability to regularly fill the public's requests for Weston's English Quality Biscuits. We're sure you'll agree with us —

The War Comes First

Even the ovens that bake the famous Weston's Soda Biscuits, are now in production on "Iron Rations" for the fighting forces of the United Nations.

Between the production of war orders we hope to be able to supply all grocers with a limited quantity of

Weston's
ENGLISH QUALITY BISCUITS

Weston's English Quality Biscuits are being shipped to vital war areas all over the world.

Weston's Biscuits are playing a part in satisfying the "sweet tooth" of our fighting forces.

2-42

Lease-lend Blazes New Trail to Peace

New Tool of Victory, International Financial Co-operation Augurs Well for the Future of the World

The value, the significance of Lease-Lend is far greater than the $6 billions now delivered by the U.S. to other members of the United Nations. It is greater even than the $50 billions plus that have been appropriated for Lease-Lend.

The true significance of Lease-Lend is that it has brought to the high policy of international relations the same concept of war that motivates the private soldier—that Victory and Freedom are beyond price, that no yardstick can measure the total sacrifice of one nation against the total sacrifice of another.

The fact that this principle had been recognized before World War II was a year old is evidence that this is not a repetition of World War I, that the things men are fighting and dying for are not pious platitudes, but living, working facts. International co-operation has already become the controlling force in affairs of the free world.

More Lease-lend

Today there are master Lease-Lend agreements* between the governments of the United States and those of Great Britain, the U.S.S.R., China, Belgium and the Netherlands. More will follow.

Notably lacking as yet is a master agreement with Canada. But Canada, whose relations with the United States have long been a model for the world, has her own agreement with the United States and is a Lease-lender in her own right.

Vis-a-vis the United States, any deficits Canada may have as a result of her heavy war purchases will be taken care of by the Hyde Park agreement of 1941. By ruthlessly slashing all non-essential imports, cutting Canadians' travel in the U.S. to the bone, Canada had had to write cheques for only $190 millions on the account up to the end of March. But this year, with gold production expected to slump and the demand for newsprint slackening, Canada's vast war purchases may succeed in pushing her account further into the red.

Books Unbalanced

Fact is, that under war conditions few nations are able to keep the books entirely in balance. At the same time that Canada runs up an overdraft with the U.S., the Dominion will be giving $1 billion (against an estimated overdraft with the U.S. of perhaps $500 millions) to Britain. Simultaneously, Canada will likely be presenting Russia with a gift of perhaps $10 millions in wheat, unstated amounts in the weapons of war. The chain of "gifts" comes to an end on the battlefields of the Volga and of Egypt and of the Atlantic. Figures are hopelessly inadequate to measure the gifts Canada and the U.S. have received from their allies.

Offensive Spirit

But two factors have arisen to change the balance of sacrifice. First is the growing readiness of the United Nations to take the offensive. At Dieppe, Canadian ground forces have made their first major contact with the enemy since 1940. U.S. and Canadian troops are steadily encroaching on the newly won Pacific paradise of Japan. British and U.S. forces in increasing strength are taking the initiative in Egypt.

Second is the fact that the United States, its mobilization period nearing the peak, is itself beginning to feel the pressure of scarcity. Weapons and equipment for whose production others of the allies have long been equipped, in some of which an almost embarrassing surplus exists in Canada and Britain, are desperately short in the United States.

U. S. Needs

No question of the ability of the U.S. to make these articles she is now getting from her allies is involved. Given time, U.S. industry could supply all U.S. defensive and offensive needs at a hand-gallop. But it would take time, and in the earlier stages might lead to the diversion of men and materials from plants which are now producing goods very nearly as vital.

Here are some of the items the U.S. is taking from her allies:

From Canada: A single-purpose lathe, designed for the single duty of machining shell-casings. The Canadian producing plant, having helped tool up Canada's mature shell making industry, might have been forced to reduce operations, lay off skilled men for lack of markets. Simultaneously, the United States would have wasted precious time, materials and manpower duplicating the equipment of the Canadian firm. Result: a Canadian tool-maker is shipping a precision, mass-production product to the United States, despite the fact that in normal times the bulk of the trade in machine tools comes almost entirely from the U.S.

Vital Materials

Also from Canada precious nickel, aluminum, zinc flow to the United States, Canada's lumber has suddenly found an almost limitless market south of the border, and her chemical pulps are the backbone of much U.S. explosives production.

From Great Britain:

Barrage balloons have been shipped to the United States to guard plants in exposed centres against air attack. "Several thousand" such balloons were shipped shortly after Pearl Harbor.

Anti-aircraft guns of a large type not available in quantity in the U.S. were shipped from Britain to guard the Panama Canal Zone.

Factory Shipped

An entire gun factory, making the best guns of its type available to the United Nations was parcelled up in Britain and shipped complete to the U.S. The U.S. needed the guns badly, and in the economy of global war it was cheaper to ship the factory than the guns.

From Australia:

Sugar, wheat, lamb, beef, bacon and fruit to feed the U.S. troops stationed in the island continent.

The items mentioned, picked at random by Lease-lend Administrator E. R. Stettinius, do not by any means comprise the total of Lease-lend returns to the United States. Wherever and whenever the economies of total war indicate that some weapon is being produced more effectively outside of the United States, or is available in greater quantity, Lease-lend goes into reverse and the United States switches to the receiving end.

So far, despite the mounting importance of these reverse entries, the $6 billions shipped out of the United States far outweighs anything received in return. And because it has been a guiding principle of the war programme of the United States that its allies shall not be hampered by petty financial difficulties, the United States continues to pay cash for a large part of the benefits it receives from its allies. The Lease-Lend machinery is at the same time freed from the necessity of authorizing minor expenditures, which would do little to further the cause of the United Nations, much to add to the inevitable delays of mass procurement.

Where it Started

The name "Lease-Lend" goes back to 1940, when the Roosevelt-Churchill exchange of 50 destroyers for 99-year leases on Atlantic bases was pushed through. But the spirit behind Lease-Lend goes back farther—to the experience of the first world war and the unhappy wrangling over war debts that beclouded the between-wars world.

From the coldly realistic viewpoint of international policy, the genesis of Lease-Lend could be traced back a century earlier. In the Napoleonic wars, Britain under Pitt, was unable to come to direct grips with Bonaparte as the United States is with Hitler, made hopelessly "uneconomic" loans to any and every European nation which would take up arms against the first of the dictators.

In making those loans, Britain was concerned almost exclusively with military and economic victory. The loans did not look forward to a coming revolution in international economics. Lease-lend does.

Read Article VII of the master Lease-Lend agreement between Britain and the United States:

> **In the final determination of the benefits to be provided to United States of America by the Government of the United Kingdom in return for aid furnished under the Act of Congress of March 11, 1941, the terms and conditions thereof shall be such as not to burden commerce between the two countries, but to promote mutually advantageous economic relations between them and the betterment of world-wide economic relations.**
>
> **To that end, they shall include provision for agreed action by the United States of America and the United Kingdom, open to participation by all other countries of like mind, directed to the expansion, by appropriate international and domestic measures, of production, employment and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples; to the elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs and other trade barriers; and, in general to the attainment of all the economic objectives set forth in the joint Declaration made on August 12, 1941, by the President of the United States of America and the Prime Minister of the United Kingdom.**
>
> **At an early convenient date, conversations shall be begun between the two governments with a view to determining, in the light of governing economic conditions, the best means of attaining the above-stated objectives by their own agreed action and of seeking the agreed action of other like-minded governments.**

Delicate Task

Admitted by Stettinius is the fact that this allocation is the most delicate of administrative problems, but, he states, it is a going concern.

The ability to run such a delicate enterprise in wartime is a triumph in itself. The ability to shift the complex machinery over to deal with postwar economic and political problems will be an even greater task.

Some of the hurdles that Article VII will have to take are predictable from the experience of the first world war.

Most vicious of the obstacles to world internationalism will again almost certainly be world nationalism. War propaganda to be successful must be local, nationalist. Each nation must be convinced of the importance of its own contribution, in order that that contribution shall be the maximum.

Postwar Reaction

Equally important is the general reaction against war, of sympathy for the vanquished, which may also have its psychological counterpart in dislike for fellow-victors. Such a psychology became very apparent in the between-wars relations of Britain and France.

To leave these weighty imponderables out of the reckoning would vitiate the postwar possibilities of Lease-Lend from the start.

That they have not been omitted is more evident from the development of Lease-Lend than from anything written into the contracts. Says President Roosevelt:

"All the United Nations are seeking maximum conversion to war production, in the light of their special resources. If each country devotes roughly the same fraction of its national production to the war, then the financial burden of war is distributed equally among the United Nations in accordance with their ability to pay. And although the nations richest in resources are able to make larger contributions, the claim of war against each is relatively the same. Such a distribution of the financial costs of war means that no nation will grow rich from the war effort of its allies. The money costs of the war will fall according to the rule of equality in sacrifice, as in effort."

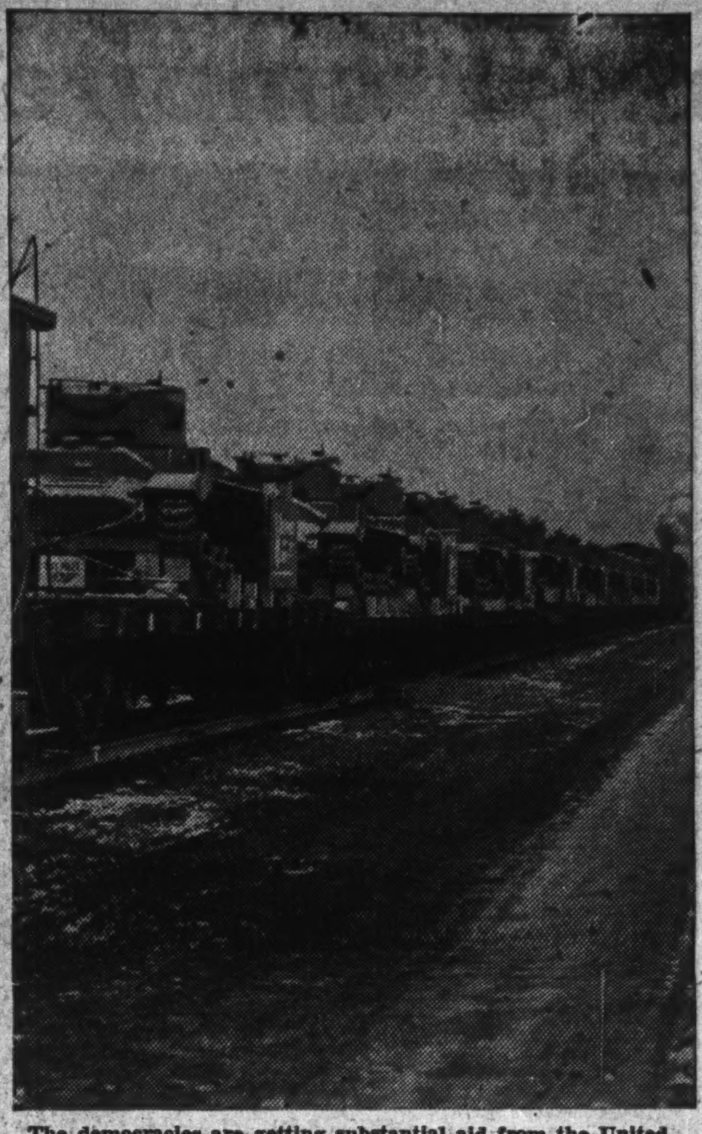
And says E. R. Stettinius:

"Supplying munitions of war to a country whose defense is vital to our own is no deed of charity. It is a deed of intense and enlightened self-interest. What we send to fight abroad is neither 'aid to Britain' nor 'aid to Russia'; it is part of our own military strategy.

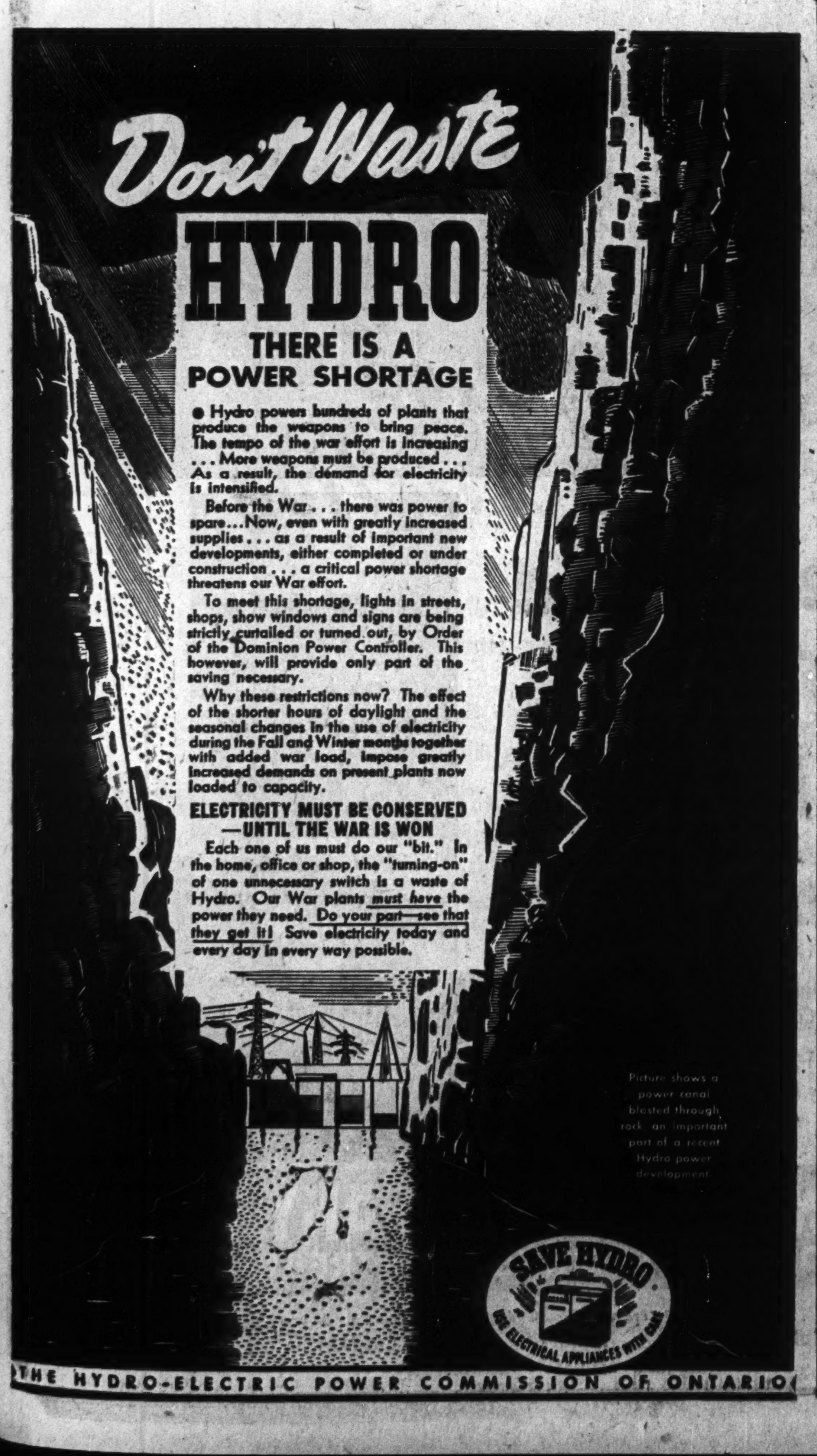
"Was it 'aid to Britain' when a Consolidated Catalina flying boat spotted the Bismarck for the British torpedo planes that crippled it? If so, then it was 'aid to America' when British commandos recently blocked the harbor gates at St. Nazaire, nest for German submarines which raid the American coasts."

These statements are not being made privately, not concealed in diplomatic pouches. The President made his statement to Congress, Stettinius wrote his for the Saturday Evening Post, once regarded as a stronghold of isolationism.

In the final analysis, the success of the lease-lend plans for postwar reconstruction will depend on how widely sentiments like these are disseminated throughout the United Nations, how fully they are grasped and inwardly digested.



The democracies are getting substantial aid from the United States through the lease-lend arrangement devised by President Roosevelt prior to that country's active participation in the war. These tanks for Russia are part of Canada's aid to the United Nations.



Don't Waste

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THERE IS A POWER SHORTAGE

● Hydro powers hundreds of plants that produce the weapons to bring peace. The tempo of the war effort is increasing . . . More weapons must be produced . . . As a result, the demand for electricity is intensified.

Before the War . . . there was power to spare . . . Now, even with greatly increased supplies . . . as a result of important new developments, either completed or under construction . . . a critical power shortage threatens our War effort.

To meet this shortage, lights in streets, shops, show windows and signs are being strictly curtailed or turned out, by Order of the Dominion Power Controller. This however, will provide only part of the saving necessary.

Why these restrictions now? The effect of the shorter hours of daylight and the seasonal changes in the use of electricity during the Fall and Winter months together with added war load, impose greatly increased demands on present plants now loaded to capacity.

ELECTRICITY MUST BE CONSERVED —UNTIL THE WAR IS WON

Each one of us must do our "bit." In the home, office or shop, the "turning-on" of one unnecessary switch is a waste of Hydro. Our War plants must have the power they need. Do your part—see that they get it! Save electricity today and every day in every way possible.

Picture shows a power canal blasted through rock, an important part of a recent Hydro power development.

SAVE HYDRO USE ELECTRICAL APPLIANCES WITH CARE

THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO

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Catalina Flying Boat on Convoy Patrol.

Linoleum Presses Now Make Aeroplane Parts

● The Linoleum factory, where Dominion Battleship Linoleum and Marboleum are made, now makes materials of war! The large hydraulic presses are being used to form thousands of different sections and shapes for Canada's aircraft industry.

This is one of many contributions being made by Dominion Oilcloth & Linoleum Company to Canada's war effort.

PRIORITY PRODUCTS

We are also making:

ANTI-GAS FABRICS for suits, capes, helmet curtains, hoods, wallets.

WATERPROOF DUCK—flame proof, gas proof, mildew proof for the Navy, for Army trucks and for the Merchant Marine.

BITS and PIECES for the Navy, for tanks, for the Merchant Marine and for essential industries.

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British Colonial Empire Has Vital Part in War

The British Empire, spread across the globe, loosely knit by democratic ties to the homeland, is primarily a partnership of commerce and kinship rather than a weapon of war. Because of this, the Empire is slow to mobilize, parts of it have proved undefendable against a fully mobilized Axis.

But also because it is an economic rather than a military empire, its resources are deeply rooted in economic strength, have not been sapped by exorbitant demands of a top-heavy military machine. And in a war of materials, those resources are at last beginning to tell.

Less publicized than the contributions of the Mother Country, the Dominions and India, the part played by the colonial possessions has grown mightily in this war from the already large share they carried in World War I.

Colonial Empire

For instance, the historic island of Newfoundland has contributed men generously to the merchant marine (they're among the world's best sailors), and to the armed forces. Thousands have come to Canada to enlist in one or other of our services, and thousands have gone to Britain to enlist there. The Royal Artillery attracts a large proportion of those who go to the Old Country.

Newfoundland has made an outright gift of several millions to the British government, and in addition is loaning Britain the Newfoundland government surplus interest free for the duration. Her mines are producing base metals and fluorspar, used in aluminum.

Her place in the scheme of North American defense is vital, as is her place on Atlantic air routes. Both United States and Canada have sent garrisons to Newfoundland; strong fortifications have been constructed. She also has one of the chief airports of the world.

In June, 1940, the British government established over economic life and financial policies of the colonies a greater degree of control than had been necessary in peacetime.

These principles were laid down:

1. Colonies which produce raw material of wartime importance should aim at maintenance of production at whatever level is required for the war effort.

2. Most colonies can give substantial assistance by refraining from making demands for non-essential imports of every kind in goods or sterling.

3. Maximum development of production of foodstuffs to meet local demands of consumption should continue to be vigorously pursued.

Economic Arrangement

In most colonies a food controller has since been appointed and maximum prices established. Regulations are being applied to prevent profiteering and to check the increase of the cost of living.

On July 9, 1941, it was announced in the House of Commons that "arrangements have already been made to help the colonial dependencies in the disposal of export surpluses arising from loss of markets and shipping difficulties . . ."

These arrangements may be summarized as follows:

1. Bananas: The whole Jamaican crop is marketed through a pool, and the British government guarantees to the grower a return of 3 shillings per count bunch up to a quantity of 12 million stems for 1940-41.

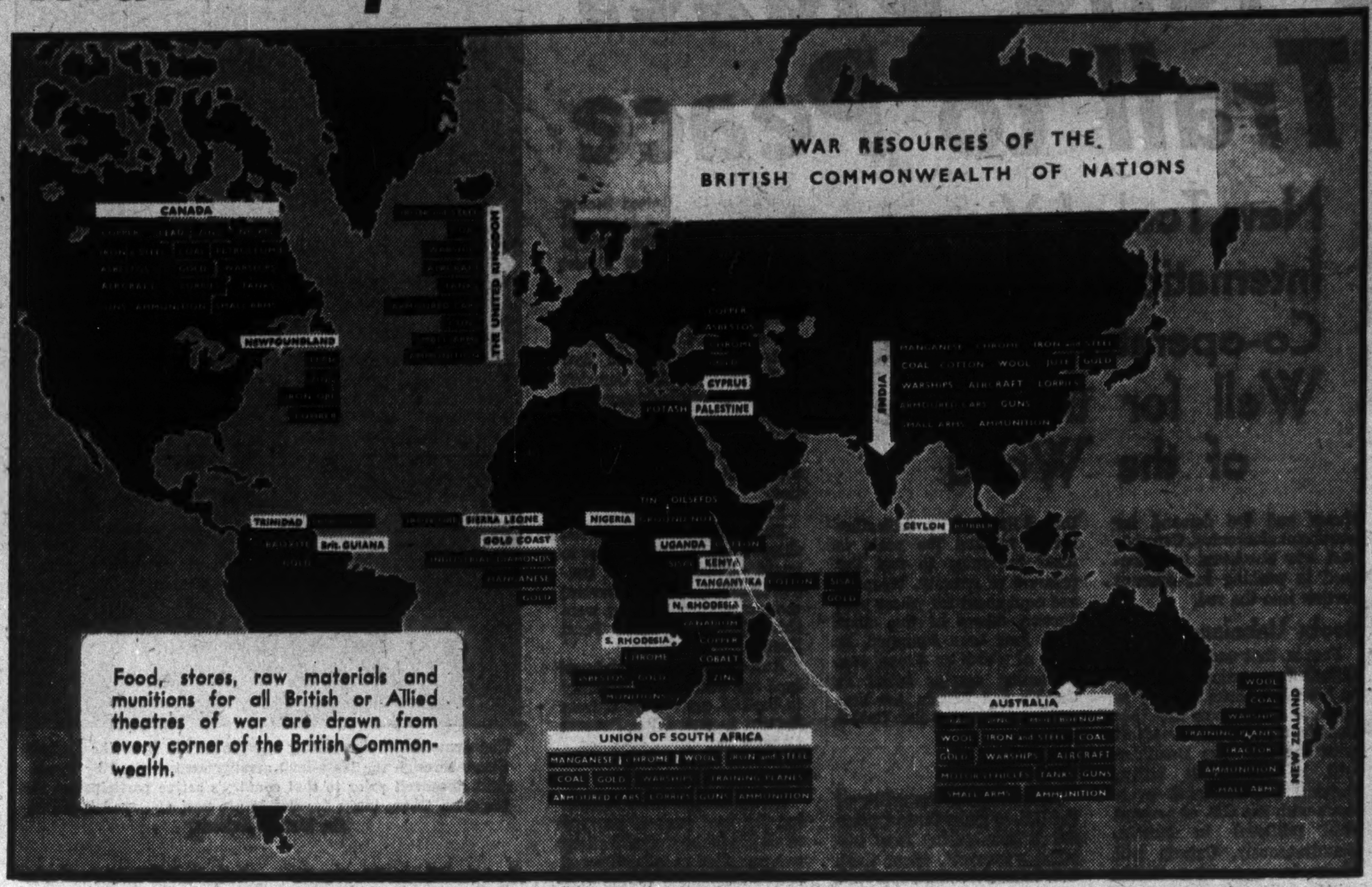
2. Citrus Fruits: Financial guarantees have been given to producers in Palestine and Cyprus.

3. Cocoa: The whole of the West African cocoa crop for 1939-40 and 1940-41 has been bought by His Majesty's Government at fixed prices.

4. Cotton: No difficulties yet, but preliminary guarantees given to growers in Tanganyika and Nyasaland.

5. Sisal: The government has purchased the whole British East African output for 1940-41.

6. Sugar: The whole exportable crops of the West Indies, Mauritius and East Africa have been bought for shipment to Great Britain or Canada.



Food, stores, raw materials and munitions for all British or Allied theatres of war are drawn from every corner of the British Commonwealth.

The colonies, for their part, did not lag in helping the Mother Government. Lord Moyne, colonial secretary, announced in July, 1941, that gifts of more than £20 millions had already been received from colonial possessions.

There have been widespread enlistments throughout the colonial empire. In Africa, the King's Own African Rifles (from the East African territories) and the Royal West African Frontier Force have fought with great distinction.

In Palestine, many Jews and Arabs are in the British forces. Apart from the Jews in the Home Guard, there are 10,000 in the British forces in the Near East. A great number of colonials from Nigeria, the Gold Coast, Sierra Leone, Aden, Malta, Barbados and Malaya man British ships. Volunteers from the West Indies and West Africa are serving in the R.A.F. Other colonial volunteers are engaged in forestry in Britain.

Colonial Contributions

Here, in brief, are some of the contributions being made by the various colonies:

East Africa: Arrangements have been made to establish technical committees for research in fuel substitutes and munitions in East Africa. Power alcohol is already being made in Uganda as a by-product of the sugar industry and good Diesel engine fuel is made from cottonseed oil. These plans are related to the expansion of secondary industry.

North Rhodesia: Most important contribution is metals, especially copper, lead and zinc. Men in mining industry who wish to join the forces have been asked to stay in order to raise mining production to maximum. Output has been increased since the outbreak of war.

Nyasaland: It is hoped to develop the bauxite industry.

Gold Coast: There has been an increase in production of manganese. Other important exports are gold (3 million lb. in 1938-39) and diamonds 600,000 lb. in 1938-39).

Sierra Leone: Increases in export of iron ore and gold, and beginning made in export of chromite, the source of chromium.

Kenya: A Kenya factory has been canning beef from Tanganyika at the rate of 20,000 tons a day to feed British forces in Africa.

West Africa: Plans made to develop shipyards at Lagos (Nigeria) and Freetown (Sierra Leone) to undertake all normal repairs to ships.

Ceylon: Production of rubber greatly increased. Extension of quantity allowed (under international quota) practically removes restriction. Provides valuable foreign exchange. Plans for developing local rubber and boot factories. Plans for developing large surface deposits of iron ore.

Palestine (Mandate): Industrial Production Advisory Board formed to develop local industry for wartime conditions. High standard of scientific and manufacturing talent in Palestine owing to the arrival of European refugees. First steel foundry in the Near East started at Haifa. Existing industries greatly developed especially chemical and medical industries, development of by-products from oranges.

West Indies: Sea Island cotton grown at St. Vincent, St. Kitts and Barbados well suited for certain military requirements—practically the only source in the world. Rapid large scale development of food cultivation.

British Guiana: New bauxite mines opened—output in 1940 greatly increased over 1939 output. Output of gold increased. Hopes of developing oil industry equal to that of Trinidad.

Trinidad: Output of oil greatly increasing.

Pacific Islands: Copra and natural phosphates.

India's Army 1¼ Millions

Indian troops numbered only 170,000 at the outbreak of war; its army has now grown to 1¼ millions, exclusive of the soldiers serving abroad, all volunteers, and increasingly officered by Indians. Recruits are accepted at an average rate of 50,000 a month as equipment becomes available for them. In May, 1942, the number of recruits reached 70,000.

The Royal Indian Navy consisted of only ten or twelve small ships at the outbreak of war, chiefly used for patrolling the long coastline. Now, corvettes, minesweepers and sloops have been added and the seagoing personnel has been increased by 600%.

INDIA'S INDUSTRY GROWS

India has had a rapid growth of industry during the last 20 years, largely under Indian control, financed by domestic capital. The number of cotton mills increased from 34 in 1922 to 388 in 1940. In 1922, India produced at home only 40% of her needs in cotton piece goods; in 1937, her production had gone up to 87%.

FOR THE DURATION!
COVER THE EARTH

Canada's fighting forces on land, sea and air are doing a magnificent job.

No less spectacular is the work of our skilled and unskilled workers in Canada's ever-expanding industrial effort.

The Sherwin-Williams Company of Canada, Limited, is proud that it has been called upon to do its share. In meeting the demand for special finishes to protect guns, tanks, planes, munitions and other War equipment, paint technicians are bringing to the fore the utmost in skill and inventiveness. Our production capacities are being taxed to the limit, but we are ready to produce more, and more, and still more, as our contribution to the Victory for which we strive.

To painters working twenty-four hours a day in defence plants all over the country we say,—"Carry on — we'll not let your brush go dry!"

THE SHERWIN-WILLIAMS CO
of Canada, Limited

In the Battle of the SEA LANES

FOR THE cargo vessels which Canada is supplying to aid in the United Nations' battle to keep men, munitions and food moving to the various theatres of war, Dominion Bridge Company Limited is fabricating steel for ships' hulls, assembling and launching these hulls and building Scotch Marine Boilers, Marine Engines and Main and Auxiliary Condensers.

(Photo—Public Information)

Top—One of the cargo vessels being built for Wartime Merchant Shipping Ltd., by United Shipyards Ltd., the hulls for which are being fabricated and launched by Dominion Bridge Co. Ltd.

Left — Marine Engine supplied by Dominion Bridge Company Limited for cargo vessels.

Below — Scotch Marine Boilers for Cargo Vessels under construction in a plant of Dominion Bridge Company Limited.

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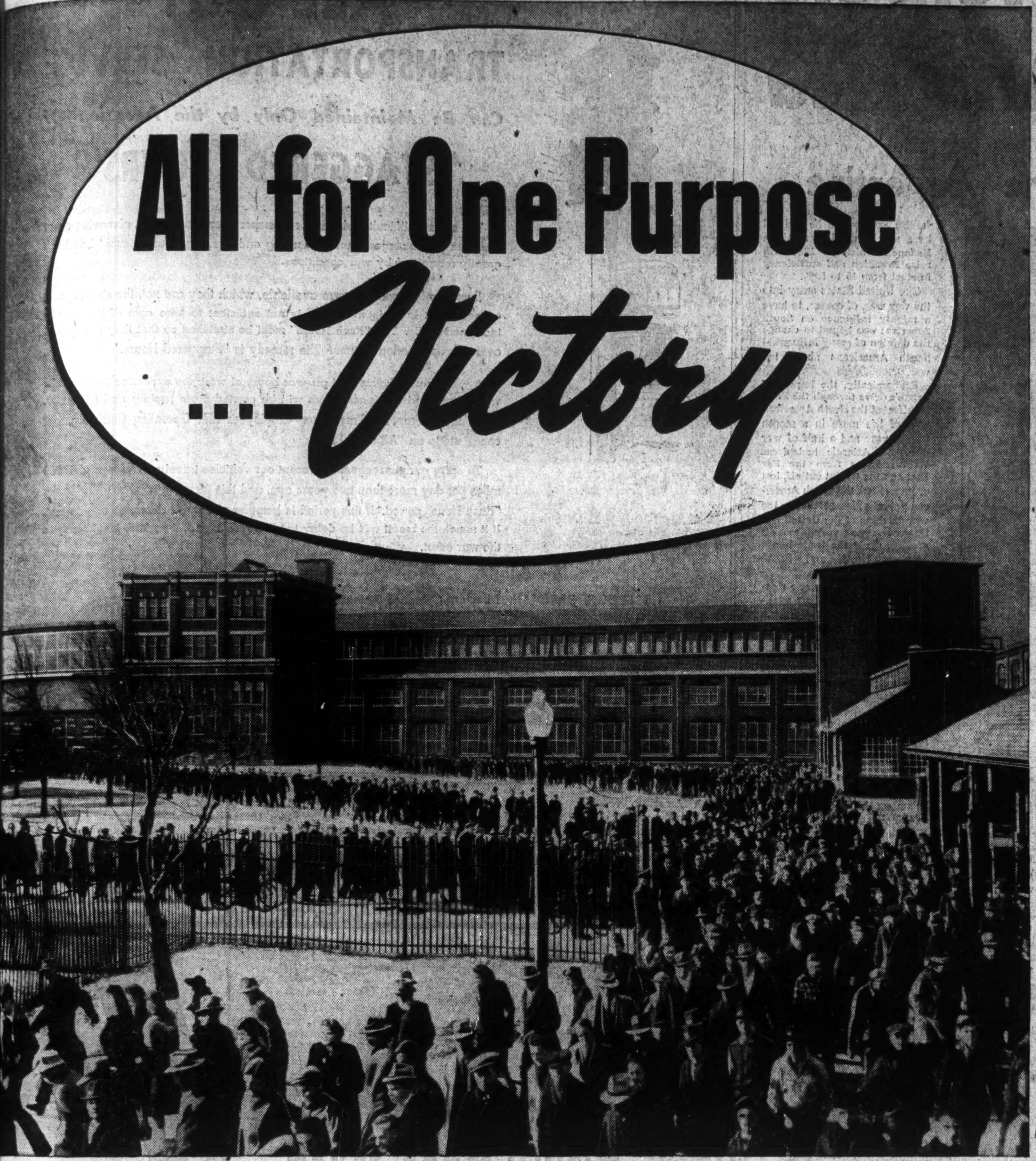


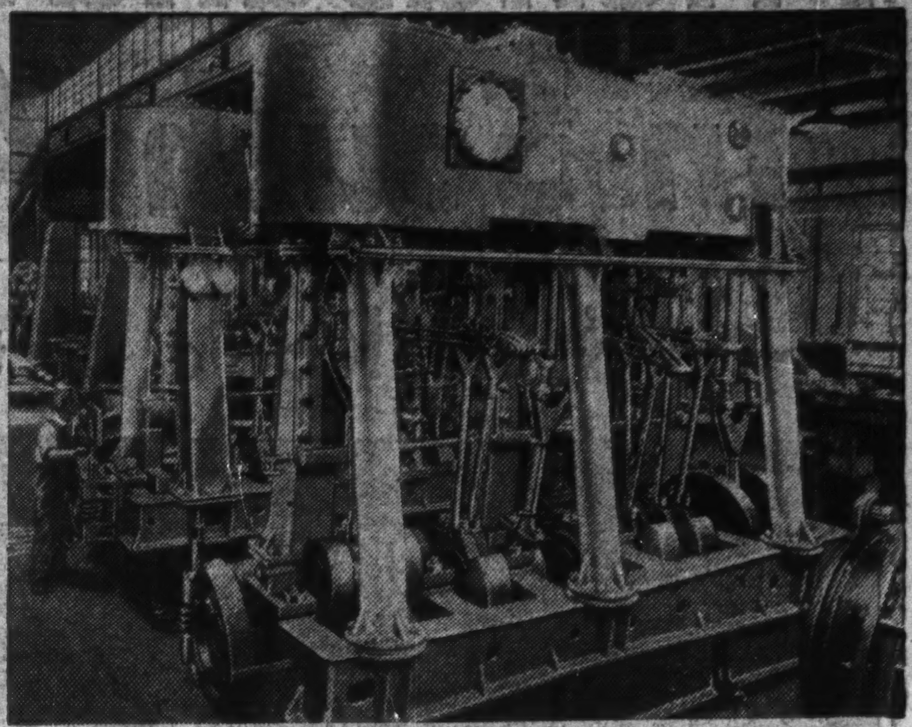
All for One Purpose ...–Victory

Day and night the men and women of Canadian General Electric are producing Vital Equipment for the United Nations

Forging vital weapons of war for service on the battlefronts of the world are the thousands of production soldiers of Canadian General Electric. They know, these resolute, resourceful men and women, that it takes determined, unremitting effort to win through to Victory.

Night and day they are putting every ounce of their energy and skill into the grim task of building guns, searchlights, marine engines, vital parts for planes, tanks and ships—and into the making of essential electrical equipment for other war plants.

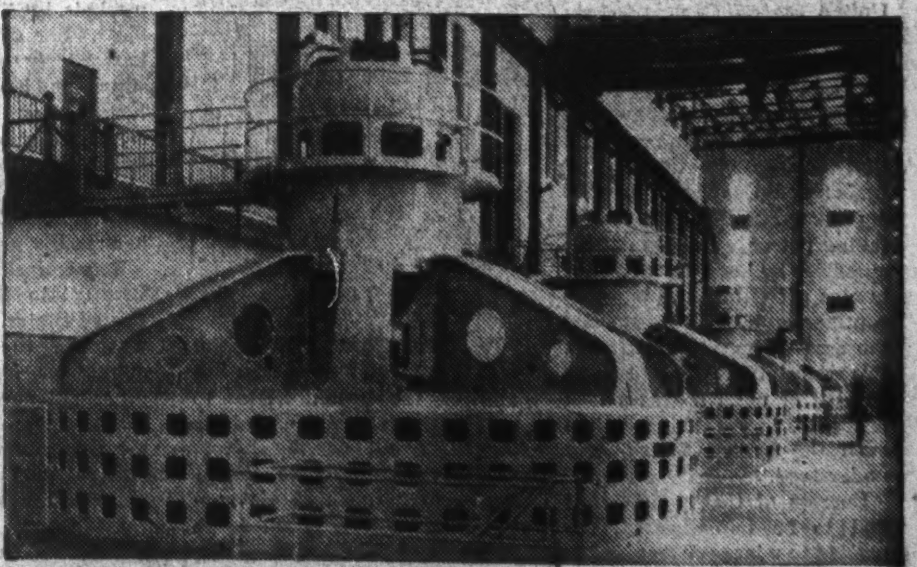
The Navy's orders ... the Army's orders ... the orders of the Air Force—are *their* orders now. They are sparing neither time nor talent in delivering the tools of war to the men who fight with them. Conscious of the obligation which has been laid upon them, they are pledged to one purpose—to all-out war production for Victory!



FOR THE NAVY and merchant marine, Canadian General Electric is producing equipment for service on the seven seas: massive marine engines, stern gear, rudders, circulating pumps, electric motors and generators, wire and cable.

FOR THE ARMY, hard-hitting anti-tank guns, anti-aircraft guns, powerful anti-aircraft and coastal defence searchlights, and other vital military equipment are built by Canadian General Electric. These weapons are on "active service" on many an Empire battlefront.

FOR THE AIR FORCE—To help fight the war in the air, Canadian General Electric is producing precision instruments for fighter and bomber aircraft, gun turrets for mighty bombing planes, plastic control panels, lighting equipment and wiring installations.



FOR INDUSTRY—To aid the great behind-the-front battle of war production, Canadian General Electric is supplying Canada's war industry and mines with important equipment for the generation and distribution of electrical power, with sturdy motors, electric furnaces, welding equipment and with an impressive volume of other machinery and materials.

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Friends and Helpers In South America

—and the Riddle of the Argentine

August 22, 1942, after 16 of its ships had been attacked, the Republic of Brazil declared war on Germany and Italy. Thus it became the first South American nation to enter the conflict and the 29th member of the United Nations. Brazil's strategic location and the importance of its material resources are a significant addition to the allied strength. Shown is a Brazilian anti-aircraft battery during exercises.

When Brazil linked up with the United Nations the last week of August one of the biggest question marks in the defense and supply problems of the United Nations disappeared.

For months it had been very evident that Brazil was leading the way for all South American countries in following the course that the majority of citizens in all the other South American republics would like their countries to take. For Brazil has, for months, lent her sympathies, if not her direct power, to the cause of freedom.

There are three main reasons why Brazil's declaration is of high importance to the freedom's cause. 1. Strategic importance. 2. Effect on the other republics. 3. Rich and sure source of raw material supply.

Nearly everyone is now very familiar with Brazil's hump—with its appearance, its relationship to the Caribbean and to Africa, its significance as the nearest spot in either of the Americas to the opposite side of the Atlantic. It provides a vital defense outpost. The fabulous old Brazilian town "on the point," Bahia, has already a place of prime importance on the world's international air trade and travel routes.

Big Turning Point

The Brazilian declaration of war may prove to be one of the most important turning points in the history of the South American continent.

For North America, it is a landmark because this is the first concrete result of the United States, Canada agreement at Ogdensburg. That agreement made the far-reaching assertion that defense of North America also involved defense of South America. By that declaration, the United States and Canada undertook a gargantuan task; an undertaking not only to help defend ourselves by keeping the Hitler hordes off either one of these continents, but of preventing the South Americans suffering this infestation whether they liked it or not. It was a task probably, in fact, bigger than even the United States fully understood.

Success of that policy, if it had to be implemented, depended to a large degree, in the last analysis in a measure of co-operation from South American republics themselves.

Until Brazil's declaration, there was little proof that such co-operation would be forthcoming.

True there was some.

South American republics had generally co-operated since war's outbreak in grounding Nazi controlled airlines; airlines that up to the war had, much of the time, been piloted and serviced by members of the Luftwaffe.

What better training ground could they get than over the mountains, jungles, deserts and plains of this vast continent? Where better engaged could they be than flying daily—as some of the routes took them—back and forth along the Panama canal, only a few score miles off the track they would take when the day came that they would be bombing it, or dropping down parachute troops to take command of it for Hitler?

Helped in Blacklisting

Most South American countries, too, had, almost since the outbreak of war, been giving pretty satisfactory co-operation in the blacklisting of firms that trade with our enemy. This did considerable to upset some aspects of Hitler's war production, his foreign exchange requirements and his spy system.

Months ago, most republics, too, gave some co-operation in suppressing or expelling some Nazi spies and helping to smash up Fifth Column organizations which existed, strong, vigorous and united, in virtually every South American republic.

No one, however, need yet be very optimistic that all the Nazi spies have been rounded up or expelled; that Fifth Column organizations have been smashed. The German organizational technique was far too clever for us to suspect that any such happy result has yet been achieved. They've been at work too long. They have too many willing helpers.

Most significant hint of what was to come was last year's conference at Rio de Janeiro where Brazil's glamorous, sleek and smart Foreign Minister, Dr. Felix Aranha, fired the imagination and stirred the hearts of delegates from all the Americas with the vision and hope of an America, united; of two great young continents, both with similar history and devotion to similar ideals, united against defeat for all their hopes and ideals.

Let U. S. Use Hump

Very significant, too, was the fact that for months Brazil has allowed the United States to make such extensive use of her air bases out on the hump, pointing toward Africa. Helping to enlarge and develop those bases have been large numbers of Americans.

Hence for some time, Brazil has been neutral in name; more of a friend than a neutral in fact.

A year and a half ago, Brazil's attitude on the war was anything but reassuring. Powerful forces in the government had given up our cause as lost. They had watched the fall of France and the collapse of half Europe before Hitler's troops. Some of these Brazilians, pushed by a large, rich and marvellously organized Fifth Column organization, argued that the way of safety, of security and of future progress, lay in accepting a Nazi world order.

At no time was there much doubt how the majority of the people of Brazil themselves felt about the war. Like North Americans, they had intense and lengthy traditions of devotion to liberty. Many families had ancestors who gave their lives in Brazil's war of liberation.

Brazilian businessmen had had very bitter experience in the years preceding the war in barter trade deals with Germany. They had suffered enormous losses with this economic noose of the Hitler machine.

For the way Hitler worked his barter deals, it was definitely a "heads I win, tails you lose" game.

They Live Like We Do

The past few decades have seen Brazil move far: she was becoming less European, more North American.

Brazilians by the tens of thousands are regular watchers of Hollywood movies. Her men and women, more and more, are adopting the manners, the habits, the social standards of North America, casting off those of old royal Portugal. Women of Brazil had achieved greater freedom of action, more individuality, more standing and importance as human beings than in almost any other country of the southern continent.

Not to be ignored as a factor in bringing Brazil into the United Nations fold is the economics of the situation. War, the collapse of world trade and the closing of European markets, hit Brazil a very cruel blow. She could not get markets nearly adequate for her supply and her docks and warehouses soon piled high with commodities. Neither could Brazil get the manufactured products she needed, particularly the machinery to expand her rapidly growing industries.

Economically, war threw Brazil into the arms of the United States. North America was now the great potential outlet for her produce; the great potential source of the things her people wanted, of the things which the republic needed to keep its business machine operating.

Under its Good Neighbor policy, the United States was ready to move into this situation. Loans, big loans were available for development of South American industries. Doubtless, there was some relationship between the availability of the loans and the location of a republic's sympathies on the war. Such would be a very proper consideration in the loaning of money.

Notable in this connection was American interest in Brazilian development of iron and rubber, of which she has the largest potentialities in the continent. With American help, the great iron ore deposits of Itabira are now to be utilized by a new steel plant at Volta Redonda which in 1943 will raise Brazilian self sufficiency in steel from 15 to 59%.

The United States entry into the war was, of course, to have a mighty influence on South America; was bound to change the opinion of many influential South Americans about the war.

Economically, the impact of Japan's drive through the Pacific affected the North American way of life more in a month than a year and a half of war over the Atlantic had done. With supplies from the Far East and the Orient cut off, lost or imperilled, the South American potential importance to the war machine of the United Nations became very much greater, made the trade bonds between North and South America even closer.

Now, it was no longer a matter of price or immediate availability of products in the form and quality desired, nor of politics, nor any other factor that determines lines of trade. North America suddenly found that despite her riches and her size, her complex industrial and social machinery must have products whose only reliable source was now South America.

If Hitler tries to use Dakar as a jumping off place, for an assault of this hemisphere Brazilian troops will now likely be among the first to meet him on this side of the Atlantic. The Brazilian navy is small, but now joined in our cause, will be helpful in a very important and dangerous area. The Brazilian air force is limited in men and machines, but it can give important help.

What will other big South American republics do about the war? Will more of them openly declare for us?

No one can answer dogmatically. The answer will not be determined by the sympathies of the masses. It will be determined by the course of the war, the course of internal political situations.

What about the Argentine and Chile?

Chile Has a Problem

Chile has a powerful Nazi group which undoubtedly has influence.

Of the mass of Chilean opinion there is very little doubt. But Chile has a serious problem to face before entering armed conflict. She has a very long, very exposed coastline, and properly for a country of her national wealth, an inadequate navy for a world flaming with war. With a small army and air force, Chile's physical contribution to our cause would be limited. And protecting her coasts—and her great mining enterprises against a declared enemy — could engage much valued United Nation's defense equipment.

Meanwhile, remember, that Chile, Peru and other South American republics are making a substantial and crucial contribution to our cause by supplying vital raw materials.

Chile has long been a continental leader in the application of democratic ideals. Chile claims to be the first country in South America to establish what might properly be called "a parliamentary democracy." She was the first to abolish slavery, the first to legislate that education should be free and compulsory.

Argentine Scorns Us

What about the Argentine, whose leaders are sometimes vocally unsympathetic to our cause?

It is now very evident that the German Fifth Column there has been well-entrenched; that the Germans have done a much more successful job of influence than the British or the Americans.

Many influential Argentinos have respect but little liking for English-speaking peoples. Their government is far from democratic and majority opinion of the people themselves is of virtually no importance in national matters.

Small-time jealousy and an inferiority complex is one of Argentine's big troubles. She regards herself as leader of the South American republics, hence bitterly resents United States co-operation with these republics. She makes a proprietary claim which in effect becomes "If Uncle Sam or anybody else wants to talk to any South American country come and ask us first for permission."

The Argentine is particularly contemptuous of Brazil, jealous of her progress, scornful of her success. This rivalry on the part of the Argentine is almost enough in itself to prevent her joining the United Nations group subsequent to Brazil.

Argentine troops have long had German training. She has imperialist designs on other republics such as Paraguay and Bolivia, perhaps also on Ur guay and Argentinos see Hitle doing what they would like t do. The Germans have ver highly placed friends. Hitle has made the Argentine fi promises.

"ALL OUT"
TRANSPORTATION SERVICE
Can Be Maintained Only by the Adoption Of
"STAGGERED HOURS"

The always difficult problem, for Transportation Companies, of moving great numbers of passengers during morning and evening "Rush Hours" has been greatly magnified by war conditions.

Even if more vehicles were available, which they are not, the street space, especially at busy intersections, is not sufficient to take care of the greatly increased traffic. The "Rush Hours" must be stretched so that they are spread over a longer period of time. The remedy is "Staggered Hours."

By such an adjustment of pre-war hours of work the excessive traffic peaks will be avoided and passengers will be carried more rapidly and efficiently. The "United Front" of Employers—Employees and Operating Company, will contribute to an "All Out" Effort.

To carry our passengers at present our vehicles travel an average of 28,750 miles per day more than two years ago, and this increase is largely during the "Rush Hour" period. If this period is lengthened out, all demands can be met. If it is not, the result will be delay to all workers, and, therefore, inefficiency in the war effort.

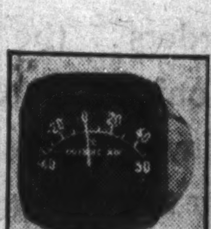
JOSEPH B. EASTMAN, Director, Office of Defense Transportation, Washington, D.C. — says: —

"The device of Staggered Hours for local industrial, business and even educational purposes can lower and spread out these peaks and relieve the situation materially. It has been a Life Saver for the Transit Companies of Washington and it can be employed with equal advantage in many other cities. It will be hard for the business population to accept this device, but they will find that once the bitter pill has been swallowed they will be pleased with the results."

MONTREAL TRAMWAYS COMPANY

A *hair's* BREADTH WOULD MAKE SEVEN OF THIS SPRING!

The high degree of sensitivity and accuracy of Sutton-Horsley instruments depends on many delicate operations. This illustration shows the soldering of a fine hair spring to the moving coil. The spring, which governs the instrument needle or indicator action is less than a seventh as thick as an average human hair. Its torque constant of .08 milligram millimeters per 1 degree centigrade runs into fabulous millionths when figured in foot pound units.



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Canada—U. S. United Front

To Guard Every Approach Canada and the United States Have Broadened a Historic Policy of Co-operation

Public Information Photo.

When H.R.H. King George of Greece, His Excellency the Earl of Athlone, Governor-General of Canada, and Capt. T. W. Droebek of the United States Army, together reviewed Canadian and U. S. troops at Ottawa, it illustrated how each one of the United Nations helps to defend the others. Military and economic programmes of all the United Nations are unified by joint boards, conflicts and confusion prevented and best possible use made of united strength.

So far as North American defense is concerned, the United States came into this war long before Pearl Harbor sprang into the headlines last December. Though technically a neutral up to that treacherous attack, Washington and Ottawa had long been working hand in glove to keep war away from this hemisphere.

First concrete step was the historic meeting between Prime Minister Mackenzie King and President Roosevelt at scenic Ivy Lea along the St. Lawrence River. This took place a few months before the actual outbreak of hostilities in Europe, but not before that outbreak was anticipated. Few details were divulged except for the challenging announcement of the American President that the United States would not sit idly back if Canada was ever molested.

Almost immediately after the fall of France occurred another meeting between the heads of the U. S. and the Canadian Governments. This time it was at Ogdensburg, also along the St. Lawrence. More formal mutual guarantees were agreed upon and the working out of a general defense plan was turned over to a joint committee headed by New York City's dynamic little Mayor LaGuardia and Canada's Col. O. M. Biggar.

About the same time occurred the famous destroyer-for-bases swap between the United States and Great Britain. Canada's chief interest in this deal was the undertaking by the United States to garrison and defend strategic Newfoundland, protecting gate of the St. Lawrence River and via that, to the industrial heart of Canada and the eastern United States.

Joint Defense

The Canadian Government had sent a garrison to sparsely settled Newfoundland shortly after the outbreak of war, but the entry of the United States into the picture gave added protection. Canadian defense posts and air fields on the island were supplemented but not replaced by air and naval forces from the United States. The American Navy used Newfoundland as a base for its new North Atlantic patrol.

Actual entry of the United States into the war last December speeded and expanded the development of North American defense, but at the same time it imposed a much stricter censorship on the work being carried out or contemplated. On this account and because of the obvious danger of going into details in wartime, only the broadest outlines of the development can be sketched in this type of article.

Original Pact

Exactly 125 years ago, most Canadians believed that their defense problem had been permanently solved by the Rush-Bagot convention which had just been signed. This outlawed fortifications and warships along both sides of the southern boundary of Britain's last remaining North American colony and ushered in an era of unbroken peace between the United States and Canada. Ice protected us in the north, wilderness on the west, and the British Navy on the east.

Later on, and good right up to the end of the last war, was still the ice on the north, a friendly Japanese navy on the west and again the powerful surface British men-of-war, on the east.

But long range submarines, the amazing element of aircraft and aircraft carriers, the opening of at least summer navigation into Hudson's Bay, and a quick growth of jingoism in Japan, changed the whole American defense picture in the 20-year period between the two great world wars. Canada and the United States suddenly awoke to find their century-old security gone.

Aside altogether from traditonal friendship and almost identity of political and economic interest, geography ties Canada and the United States firmly together, making imperative a single co-ordinated defense scheme.

Well over a year ago the Joint Board of Defense reported to the governments at Ottawa and Washington that their plans were completed. A comprehensive scheme to cover all emergencies apparently had been worked out and the recommendations in the way of new bases, fortifications, new patrols, new airfields and other actual developments were already well under way.

U. S. Responsibilities

Broadly speaking the senior partner in the defense arrangement has taken over the complete responsibility for all protection for any points south of the Canadian boundary. This would cover any possible landing on either the Atlantic or the Pacific coast of the United States close to the Dominion boundary.

Still farther south, of course, Washington is bolstered by mutual defense pacts with most of the Central and South American countries and a string of sea bases, acquired from the British, or other friendly powers. These guard approaches to the mainland and the vital Panama Canal. It is also generally understood that it is the special job of the United States to guard Alaska with its panhandle reaching down half way into British Columbia and its string of rocky, fog-bound islands which stretch to within bombing distance of Tokyo.

While these areas are generally understood to be in the strictly American field this does not mean that there has not been any Canadian co-operation in their defense. There has been a great deal. Naval and air bases, special training grounds, and existing transport lines are available to either party when necessary.

One example of this co-operation is furnished by the joint training of American and Canadian paratroops in the United States and another is the use of existing air, rail and road facilities in Canada for getting supplies to the Alaska highway project. It is also significant that while Canada has not yet enacted conscription for overseas service, the present compulsory draft now covers service in any part of North America.

Co-operation

Other militant examples of similar co-operation might be furnished. It is no secret, for instance, that shortly after the United States began its active defense preparations, Canada gladly supplied that country with finished arms, such as machine guns, and anti-aircraft equipment to protect vital American centres just as Britain is reported to have furnished barrage balloons for key and exposed U. S. factories and anti-aircraft guns for installation along the Panama Canal.

Joint defense areas of United States and Canada are understood to include most of our Eastern coast and a considerable portion of the West as well. The closest sort of naval and air co-operation is maintained from Halifax, in and around Newfoundland, and right up to the southern fringe of Greenland. Originally Britain and Canada undertook to guard and protect Iceland, a job that has since been largely turned over to the United States.

Western Coast

Aside from raids, strategists have long maintained that Canada's western coast is vulnerable to serious invasion at only three points.

The first of these would be the southern end of Vancouver Island through the Straits of Juan de Fuca. Here hostile ships might hope to penetrate a 100-mile international channel that leads to the populous and strategic Victoria, Vancouver, and Seattle, centres of ship and aircraft construction, manufacturing and processing and collecting points for lumber, base metals and fish, terminals of several transcontinental railways and highways, and general gateway to an immensely rich empire with one of the most favorable climates in the whole Western Hemisphere.

Even as far back as the Crimean War protection was developed for this vulnerable point. Here was the headquarters of the Royal Navy's Pacific Squadron with barracks, stores and naval repair facilities built about the middle of the last century. It is an open secret that the United States government has spent hundreds of millions of dollars in the same region during the last few years and Hansard will reveal correspondingly though more moderate expenditures on the part of Canada.

Before enemy ships and invasion barges could get anywhere near the immediately available riches of the area they would have to penetrate almost 100 miles of narrow waters, naturally hazardous in the way of rocks, shoals and treacherous currents, and now made by the works of man, what the authorities believe to be impregnable.

Second vulnerable point along our Pacific Coast, strategists say, would be the area immediately north of Vancouver Island. Here protection is plainly a Canadian responsibility. Chief task of the defending force as any map indicates, would be to prevent penetration into the channel that leads behind Vancouver Island

Third potential invasion spot so far as Canadian responsibility of the western coast is concerned would be the area in and around the Prince Rupert railhead, gateway to the central interior. Plainly again the job of defense is Canada's, but here in the advent of actual attack help would undoubtedly be forthcoming from relatively nearby U. S. territory at the southern tip of the long Alaska panhandle.

Wth the big Queen Charlotte Islands well out in front, mountains immediately behind and narrow, steep passes leading into the interior, the area is naturally strong. Even if an enemy was able to force the outer defenses, blowing up a few rail bridges should pin him to the coast.

The whole defense problem along the Canadian Pacific coast and also covering most of Alaska is made easier by the rugged nature of the country. Practically all the big interior valleys run north and south and parallel with the coast and not one but several major mountain ranges would have to be crossed before an enemy could reach the level prairies 500 miles inland. Along the great bulk of the coast there are no railroads, no roads, and the rocky country is covered with giant trees.

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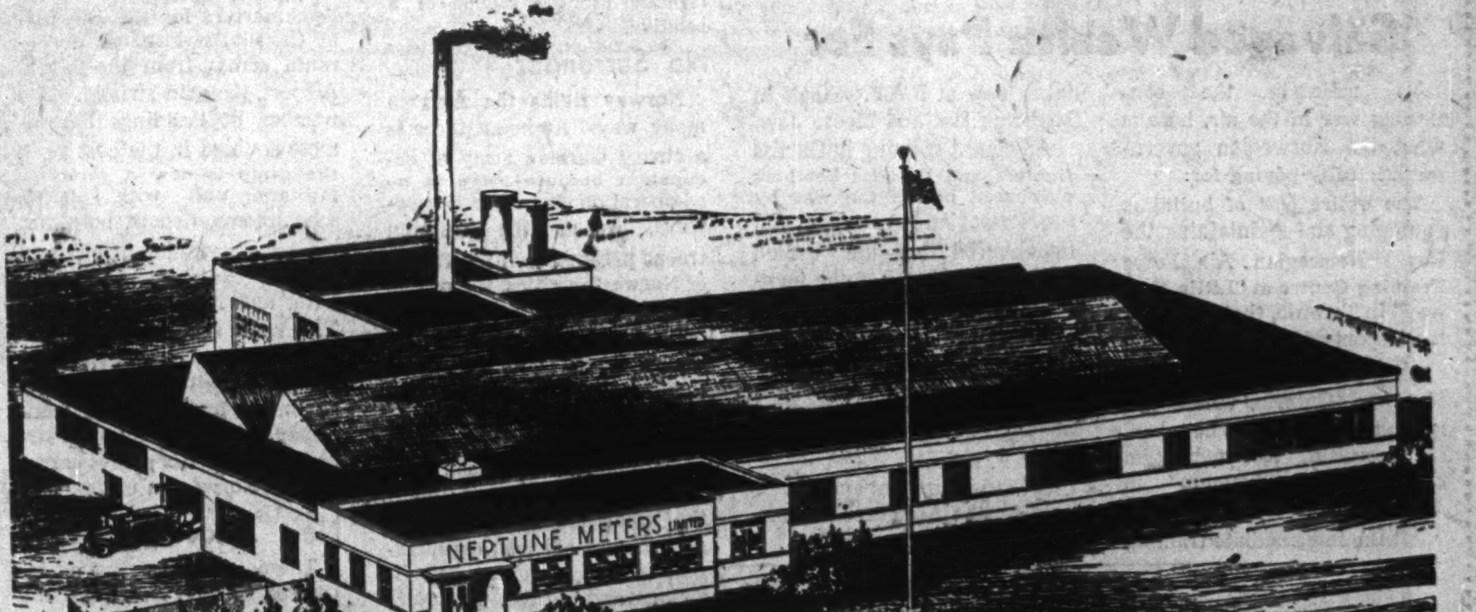

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Norse Fight to Free Their Homeland

On Land, Sea and Air Courageous Norse Carry the Battle

Royal Norwegian Government Photo.

Driven from their own country, hundreds of Norwegian airmen and ground crew have trained in Canada and are now doing their part in fighting the Nazis. They are in action stations in Great Britain and Iceland, served by their own ground crew and financed from their own resources. This picture shows members of the ground crew watching some of their countrymen returning to their British base after a fighter sweep.

In the sky fighting during the Battle of Dieppe two squadrons were officially credited with shooting down 14 enemy fighters and bombers, probably destroying four more and damaging at least ten. This amounted to about 15% of all enemy planes destroyed or damaged during that huge air battle. Three of the members of those two squadrons were awarded the R.A.F. Distinguished Flying Cross for bravery in the action.

These two squadrons were "all Norwegian" fighter groups; the fliers were Norwegians whose courage was a shining token to the fact that while their nation is occupied by the enemy, it is far from conquered.

The Nazis treacherously attacked Norway in April, 1940. To occupy that country of 2,800,000 peaceful people it took the enemy 62 days of bloody fighting, cost him more than 60,000 men and one-third of his attacking fleet. Even at that, Norwegian resistance to the Nazis was just beginning.

To continue the fight against the enemy hundreds of Norwegian boys escaped from their country in small fishing boats, taking the desperately perilous voyage across the North Sea to Great Britain. One of them arrived in Great Britain after having rowed across the North Sea from the Lofoten Islands to the Shetland Islands. Countless stories can be told of how Norwegian boys, disguised as fishermen, slipped out from under the watchful eyes of the Nazi guards. These escaping Norwegians had to thread their way through the German off-shore patrol and mine fields, sometimes for days had to battle the raging North Sea in leaky old boats. Those who did not get by the Nazi patrol were brought back and shot.

This was the hard way of escape. The "easy" way was in the other direction across Siberia, thence to Canada. There are many Norwegians who have journeyed all the way around the world to join their armed forces.

Risk Death

The number of escaped Norwegians has been recently greatly reduced. This is due not only to a severe tightening of the Nazi guard on the Coast but also to the fact that most of the available small boats have already been taken by escaping countrymen. In attempting to escape from his country a Norwegian boy runs not only the risk of death for himself but of the concentration camp for his family. There are cases where the members of a family have been shot in reprisal for the escape of a relative.

No Surrender

Norway fights the Axis in many ways. At home there is a strong German army of occupation because there is no co-operation from the Norwegians. When the German troops parade down the streets of Norwegian cities, the people turn their backs. Nobody turns out at mass meetings called by the Germans but the Nazis themselves. The enemy had hoped to capture the Norwegian Government machinery and organization intact. The Norwegians answered with the wholesale resignation of government officials; organization leaders dissolved organizations and retired. The Norwegian Supreme Court quit in a body. All the schools had to be closed because the teachers refused to take any part in the Nazification of Norwegian children. All seven Bishops from the Norwegian State Church resigned. Great underground organization keeps the free Norwegian spirit alive, and through sabotage hinders and destroys the enemy at every turn.

Merchant Marine

Prime Minister Churchill has said that the Norwegian Merchant Marine is worth more to the cause of the United Nations than one million fully equipped men in the field. This Merchant Marine was the fourth largest in the world before the war, consisting of some 5,600,000 tons and plying between all the ports of the world. Since the Nazi invasion of Norway this fleet has been sailing for the cause of the United Nations, with 70% of its strength on the lifeline of Great Britain. Norwegian boats carry half the oil and gasoline to Britain and over 35% of the food and other supplies and equipment. To man this great merchant fleet there are 25,000 hardy Norwegian sailors.

Thousands of Norwegians are training with the army in Scotland. The Norwegian Army has already taken part in commando raids on their own country.

With the British Navy are 10,000 Norwegian sailors.

The Norwegians lost nearly all their small Navy in the first days of the invasion. They now have about 60 boats—destroyers, minesweepers, torpedo, motor boats and small warships — including five of the 50 destroyers turned over to Britain by the United States.

From all corners of the globe loyal Norwegians have come to Canada in order to join the Royal Norwegian Air Force. The R.N.A.F. already has several squadrons in action, one in Iceland and the others in Great Britain.

Through its government in exile in London, Norway is paying for the entire activities of the armed forces as well as its peacetime obligations, with its revenue from the Merchant Marine. The Norwegian government has paid more than $100 millions annually since its country was invaded for the upkeep of its armed forces and to continue her consular service and in payment of international debts so that the credit of the country will be unimpaired after the war. At least $10 millions of that amount is spent in Canada by the Norwegian armed forces here. However, because of the heavy shipping losses, that there is no way of replacing, Norway may have to accept lease-lend assistance to a certain extent.

While there are many Norwegians fighting with the R.A.F. and flying with the Ferry Command, Canada best knows their flying prowess through the basing of the Royal Norwegian Air Force in Canada.

Little Norway

Initial training for the R.N.A.F. is taken at Camp "Little Norway." Here the boys are tested and a decision reached as to what branch of work they will take—pilot, air crew, mechanics or other specialists, etc. This camp, headquarters for the R.N.A.F. in Canada, is situated in Toronto across from the Island Airport, its main airfield. The number of buildings has almost doubled in the past year, the camp is now a complete military unit with offices, schoolrooms, depots, hospitals, mess rooms, radio school, gymnasium, reading rooms, Finnish bath, and Norwegian kitchen. The work shops, hangars and airdrome work is carried on by all the various technical departments and training is continued constantly in the Fairchild and Curtiss planes carrying the Norwegian colors.

New Accommodation

These activities have increased to such an extent that an airport at Muskoka has been taken over for elementary flying training. This airport has been rented from the Canadian government for the duration of the war at a very favorable rental. Norwegian patriots bought an adjoining farm for the airmen. The barn on that farm has been remodelled into modern, air-conditioned living quarters.

Near Huntsville, Ontario, is "Vesle Skaugum," named after the residence in Norway of Crown Price Olav. This camp was purchased by the boys with money from the canteen fund along with a special gift from a Norwegian living in Guatemala. This same patriot is supplying the Norwegian forces in Canada with coffee for the duration of the war from his plantation. During the winter this camp is used for infantry training and military tactics. All year round it offers recreation facilities to boys who have endured rigorous action in an effort to reach Canada, boys who have been torpedoed and need to restore their strength, and those resting after weeks of intense strain.

Extend Training

For practical training the Norwegian flyers are sent for their intermediate training at R.A.F. and R.C.A.F. Schools at Medicine Hat and Moose Jaw for training in twin and single engine planes. At these schools their instructors are Norwegian officers and their training is paid for by the Norwegian government-in-exile.

When intermediate training is complete pilots return to Camp Little Norway where they take their advanced training. Here they use Curtiss fighters and Douglas attack bombers, with their training including night flying. Behind the pilots is a complete system of instructors, navigators, wireless operators, air gunners, mechanics, armorers, and instrument makers. The whole organization is then welded into an "all Norwegian" squadron which is then ready for active service overseas, as a separate unit of the Royal Air Force.

Indicative of how these Norwegians view their part in the war is the fact that the officers and men in Camp Little Norway give from $2 to $20 a month, according to their pay, towards the purchasing of more planes. This is a voluntary contribution and they have already collected enough to buy three training planes at a cost of $15,000 each.

Such are the men who fight under the colors of Norway today. They see little that is remarkable in the outstanding hardships they have undergone to join their armed forces; few of them will even talk about their experiences. They have seen what the Nazi new order has meant for their Norway. They have lost their families and friends under the weight of the Nazi machine. They know the valiant spirit of the people who are still at home, the spirit that is their trust to sustain and kindle. They live only for the day when the flag of Free Norway under which they now live will once again wave over their homeland.

In the words of an eager young Norwegian now training in Canada for the liberation of his home land:

> "Again we shall see Norway's flag proudly floating in the air. The possibility that we may not be amongst those hoisting it does not discourage us as we are absolutely convinced that it will be the first act of a free Norway."

Here's What Norwegian Salvaged Wealth Pays For

To maintain the continuing war in the air, here is what the Norwegian government is fully paying for:

The entire cost of building, equipping and maintaining the Royal Norwegian Air Force Training Centre at "Little Norway" in Toronto, the upkeep of the airport adjoining the camp.

The subsidiary airport at Muskoka, Ontario, where elementary training is to be taken, the recruiting and recreation camp "Vesle Skaugum" in Muskoka.

All the intermediate training taken now at R.A.F. schools in Medicine Hat and Moose Jaw.

Advanced training in Curtiss fighters and Douglas bombers purchased before the war by the Norwegian government and undelivered by the United States at the time of the invasion, at the cost of some $20 millions.

The Canadian government for the training of observers, gunners and other technical personnel in R.A.F. and R.C.A.F. schools.

All the equipment and planes used by the Air Force in combat service overseas.

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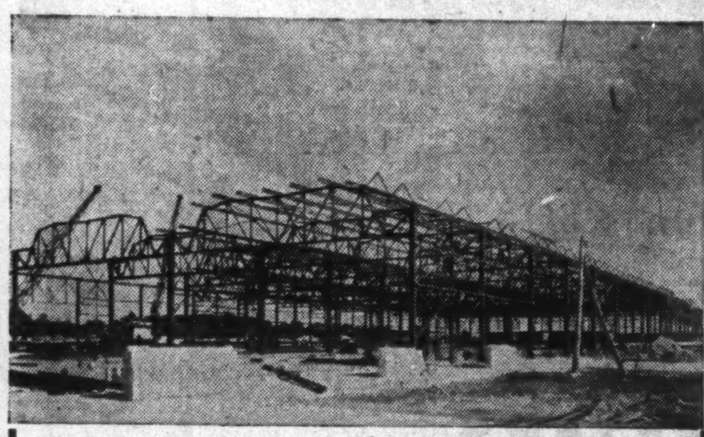

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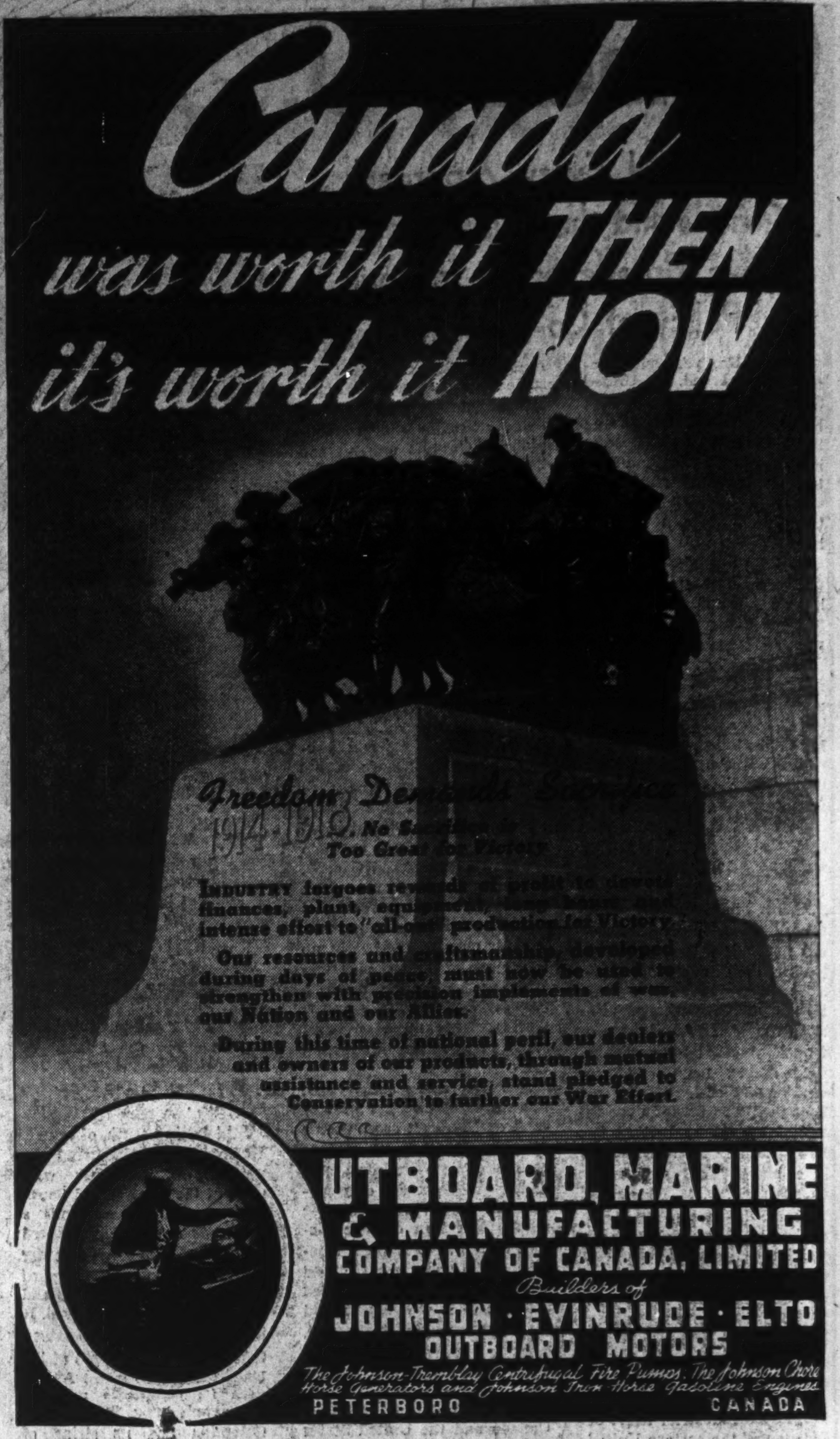

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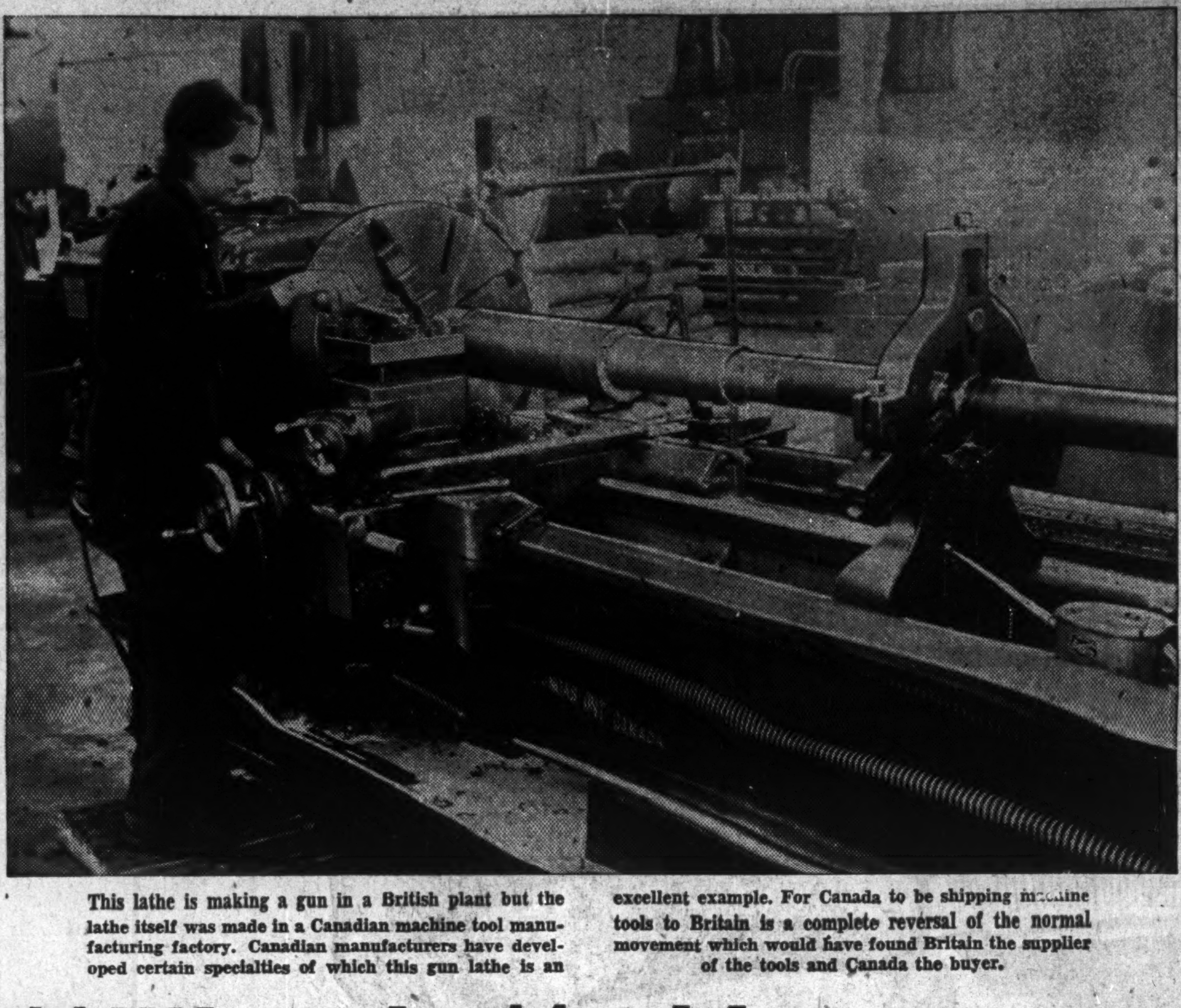

This lathe is making a gun in a British plant but the lathe itself was made in a Canadian machine tool manufacturing factory. Canadian manufacturers have developed certain specialties of which this gun lathe is an excellent example. For Canada to be shipping machine tools to Britain is a complete reversal of the normal movement which would have found Britain the supplier of the tools and Canada the buyer.

Millions in Machines To Back Fighting Fronts

Being the wheatfield of the Empire is no longer Canada's chief claim to distinction. Neither is its production of nickel and asbestos, newsprint and aluminum, lumber and fish, items in which our production ranked high. In scores of United Nations' plants Canada is represented not by her raw materials but by finished goods, the product of her manufacturing skills.

Purchases by Great Britain represent, of course, the largest proportion of Canada's production for destinations outside the country. At last word the total value of contracts placed and commitments made on United Kingdom account, including Britain's share of joint projects, was $2,200 millions at the end of Sept., 1942. A figure identified as for "other account" amounted at the same time to $350 millions. These two together represent almost exactly half of the total contracts awarded since the war started.

Substantial parts of these orders must have been completed, because our total exports for 12 months preceding May 31, 1942, amounted to $1,867 millions — a full billion dollars over the 1938 total.

The most spectacular of these items have received much publicity; the mammoth Lancasters soon to come from the line of National Steel Car Corp., the hundreds of Hurricanes which have latterly meant so much to China, the Valentine tanks going to Russia, universal carriers to Egypt. Millions of rounds of shells and small arms ammunition, quantities of rifles, machine guns and artillery amount to such proportions that they must have done their work somewhere — obviously outside Canada.

Vehicles Abroad

More than 260,000 vehicles produced by Canada's automotive industry, it is well known, have been shipped abroad for service in every campaign in which Empire forces have participated.

Less has been told of what Canada is supplying to the United States—a distinct reversal of flow of more recent origin, and though of smaller proportions none the less outstanding. With a few not unimportant exceptions, Canada depended on outside sources—United States by far the larger but Great Britain also—for the machine tools without which no munitions programme could be begun.

Purchases from the United States had amounted to some $90 millions in machine tools in 18 months. But quietly, alongside the mounting production turned out on these machines, had been going on the manufacture and supplying of machine tools, general and single purpose machines for turning out guns, shells, tanks, aircraft engines, rifles, machine guns and other items, and not only for use in Canada.

Rise of Industry

Strictly limited in its peacetime ambitions, Canada's machine tool industry has risen to topmost heights in conceiving and constructing lathes, milling machines, presses and other tools that show the way to older countries in performance, as well, of course, as furnishing an additional source of supply when tools were so badly needed and original sources sorely tried.

Enjoying first a large upswing because of the energy and initiative of its own executives, Canada's machine tool industry had stepped up to perhaps six times its peacetime volume before Pearl Harbor.

Spurred on first by the greater need as a result of the United States' entry into the war, and also very largely because important sources of supply in the United States were cut off as a result of that country's own needs, a further expansion, estimated to bring the total up to eight times the peacetime proportions took place.

Considering all types of machine tools together, Canada has reached the point where it is turning out at least 52% of the machines at present being acquired.

Copied in U.S.

The ingenuity displayed in many Canadian designs has led to their being copied by American manufacturers in certain instances.

Standardization of single purpose machine tools, brought about at the instance of Machine Tools Controller, Thomas Arnold, has been widely successful, many of them having been shipped to the United States. At last report over a thousand Canadian machine tools had actually been shipped to American manufacturers engaged in munitions production.

Only recently United States ordnance officers, concerned as to whether machines received from United States were being put to the best possible use in Canada investigated and found that, not only were their fears unfounded in most instances, but instead they were able to favor Canada with an order for a "very substantial number" of rounds of small arms ammunition.

Reports were current some months ago that Canada was in a position to supply the United States with 4,200 anti-aircraft gun barrels of a certain type, and also to accept orders for alloy steels for making tools, though it is not possible just now to say whether orders were actually placed for these items.

Shell Lathes

Well before the war the Hepburn shell lathe had achieved widespread adoption in practically all the countries of the British Empire, and now gun lathes produced by the same manufacturer are undoubtedly among Canada's exports both to Britain and the United States. Shell lathes built by this manufacturer and other Canadian firms, gossip has it, have gone to Russia and must have turned out many thousands of the rounds which are being used with such devastating effect against the invader there.

Bertram gun lathes are also known to have gone to Great Britain.

The rotary profile milling machine, a revolutionary new design developed by Modern Tool Works, has gone both to Great Britain and the United States, and is assisting in the work of producing parts for aircraft engines, rifles and machine guns.

A special profile milling machine, a revolutionary new design, developed by a progressive Canadian machine builder, has gone both to Great Britain and other Allies, and is assisting in the work of producing parts for aircraft engines, rifles and machine guns.

Some of the results of the Joint War Production Committee of Canada and the United States are now being announced, and one important conclusion reached was the arrangement for United States to concentrate on one type of airplane propeller and Canada on another, so that Canadian-made propellers will see service on American planes.

When Canadian production on one type of ammunition was running ahead of schedule, Canada shipped to the United States 500,000 each of shell boxes, fuses and tracers.

Canadian Great Lakes grai boats have been switched th summer and fall to moving 2 million tons of iron ore between United States ports.

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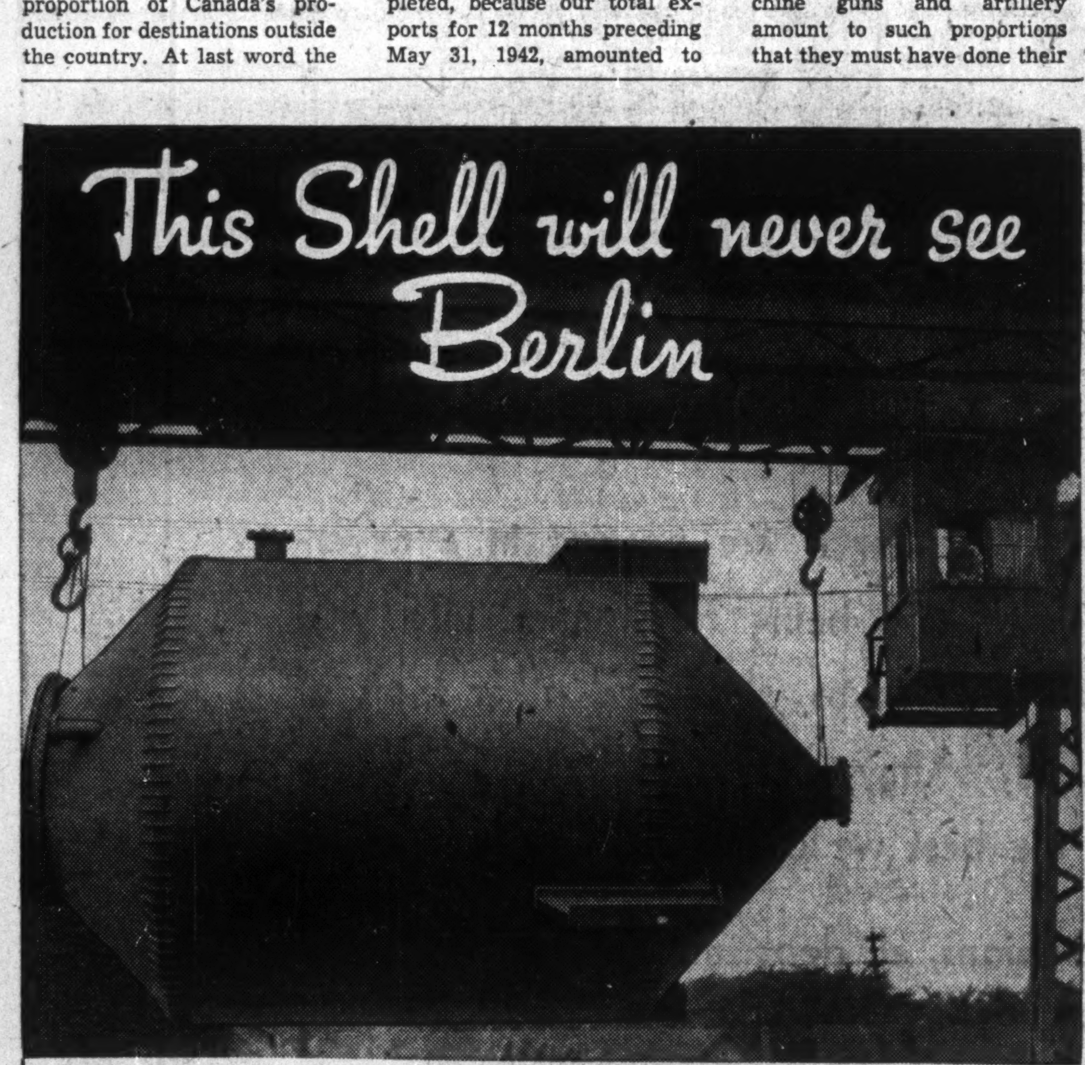

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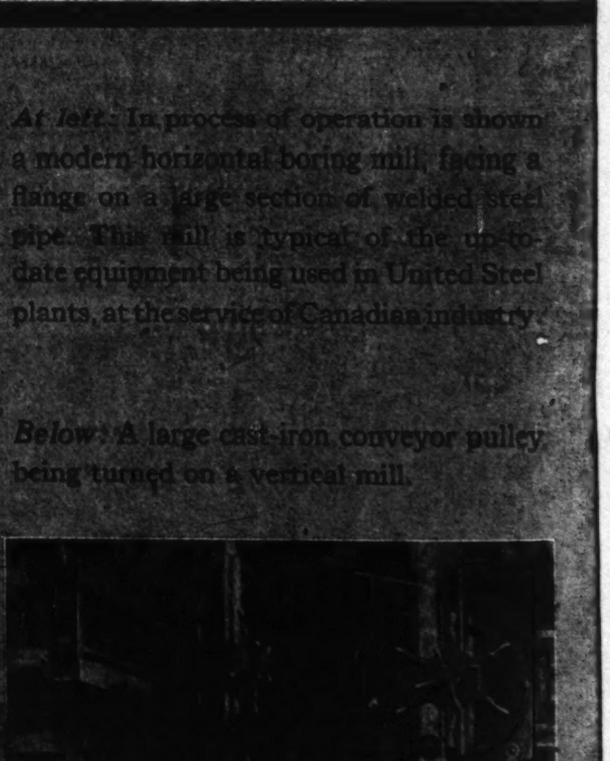
At left: In process of operation is shown a modern horizontal boring mill, facing a flange on a large section of welded steel pipe. This mill is typical of the up-to-date equipment being used in United Steel plants, at the service of Canadian industry.

Below: A large cast-iron conveyor pulley being turned on a vertical mill.



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The Gears Mesh For Global War

United Nations Pattern May Shape Post-war World

Continued demand for a unified command against the Axis has focussed attention on the machinery of collaboration already existing between the United Nations, and on the steps that remain to be taken to achieve a fully integrated international organization. This vast machinery of co-operation that is already in existence is important not only from the standpoint of current needs, but also from the indications it affords of the world as it will be when peace returns.

Payson S. Wild, Jr., Associate Professor of Government, Harvard University, and member of the Staff of the U. S. Navy War College, has made an analysis of this machinery for Foreign Policy Reports.

Mr. Wild states that the shape of things to come can be discerned in arrangements already made between the United Nations. It is not impossible that post-war organizations will be the product, not of one embracing covenant or constitution, but of experience in time of war, during which a great variety of international agencies has come into being. All over the world, American, British, Chinese, Dutch, Dominion and Russian officials are in contact with one another, making combined plans, and learning to work together on everything from ships and tanks to tea and quinine.

Symbolic of the collaboration existing between the United Nations is this picture of an American and a British sailor with their respective flags in the background. This collaboration is worked out through various joint defense boards, with each partner given designated fields of action so arranged as to make best possible use of the combined resources.

No Centralization

An analysis of existing machinery reveals certain general characteristics. First of all, there is as yet no centralization; no one over-all agency exists. Instead, machinery has been created in piece-meal fashion as the need has arisen. Some of the agencies deal with regional problems; others with a limited range of problems on a world-wide scale. In certain sectors, notably in the south-west Pacific, regional military, naval and air commands have been established. Sometimes the job of linking the member states is accomplished with special missions or envoys appointed to carry on private negotiations.

The lines between domestic and international activity are blurred. National administrative agencies of the powers concerned sometimes engage in domestic business and other times extend their functions into the international sphere. The result is a conglomeration of international boards and domestic staffs, whose duties intermingle. Administrative officers of national units deal directly with their opposite numbers in other states without benefit of diplomatic intermediaries and simultaneously perform both national and international tasks. So far no attempt has been made to establish super states.

In the military sphere the first announcement of a unified regional command came on January 3, 1942, when all the forces in the south-west Pacific area were put under General Sir Archibald Wavell, as Supreme Commander. Major General George H. Brett, Chief of the United States Army Air Corps was made deputy Supreme Commander, while at the same time Generalissimo Chiang Kai-Shek accepted the supreme command over all the land and air forces of the United Nations then operating in the Chinese theatre of war.

A more comprehensive military agreement was reached on February 6th when President Roosevelt announced the combined Chiefs of Staff plan. This was to ensure the complete co-ordination of the war effort of the United States and Britain to provide for full British and American collaboration with the United Nations. It is the function of the combined staffs meeting in Washington to map out broad strategical plans in the form of joint recommendations to the heads of their respective governments. The combined Chiefs of Staff is thus the control agency for planning and co-ordinating the military, naval and air effort. Representatives of the other United Nations such as China, The Netherlands, Australia and the Soviet Union, consult with the combined Chiefs of Staff in the consideration of matters concerning their national interests.

Under the combined Chiefs of Staff serves the Munitions Assignment Board which has two co-ordinate branches, sitting in London and Washington. The task of this Board is to distribute among the United Nations munitions produced in Britain and the United States.

Meanwhile an international Supreme Command has been created in the Southwest Pacific where General Douglas MacArthur received full military authority from the governments of the United States, Great Britain, Australia, The Netherlands, and Free French naval units. General MacArthur was given command of the Southwest Pacific on land, sea and air from Australia; Generalissimo Chiang Kai-Shek was made responsible for China and Chinese troops in Burma, and Wavell was entrusted with the supreme command in India.

A separate south Pacific command under Vice Admiral Robert Lee Ghormley of the U. S. Navy was set up on April 21, 1942, to direct United Nations military, naval and air operations in a wide area of the south Pacific, including New Zealand and the other islands south of the Equator which lie East of General MacArthur's zone.

Pacific War Council

While matters of strategy are thus centred in Washington, a first Pacific War Council was created in London, apparently at the insistence of the Netherlands, for consideration of general political problems. The establishment of a Pacific War Council in London aroused considerable criticism, especially in Australia and New Zealand. These latter desires were heeded in the creation of a second Pacific War Council to sit in Washington, announced on March 30, 1942. The member nations of the second council are the United States, Australia, New Zealand, China, The Netherlands, Canada and Great Britain. Because the Soviet Union is not at war with Japan, the Russians have been careful not to associate themselves formally with the Pacific War Council.

Anglo-U. S. Boards

Among the outstanding agencies for the conduct of the combined war effort are three Anglo-American boards, whose creation was announced on January 26, 1942 — the Combined Raw Materials Board, the Munitions Assignment Board, and the Combined Shipping Adjustment Board. To these have been added two others, the Combined Production and Resources Board and the Combined Food Board, established on June 9, 1942. These are all British - American Boards designed to effect a pooling of the shipping and munitions production of the United States and Great Britain, and the closest possible cooperation in the allocation and distribution of food and raw materials.

The Combined Shipping Adjustment Board consists of two groups: one in Washington headed by Rear Admiral Emory S. Land, Chairman of the War Shipping Administration, as the American member, and Sir Arthur Falter, chairman of Allied Maritime Transport in the first World War, as the British member; and the other in London, headed by Lord Leathers for Britain, W. A. Harriman for the United States.

The British Ministry of War Transport directly controls the movement of British shipping, while American vessels operate under orders from the War Shipping Administration. Norway, The Netherlands and other United Nations have contributed ships and sailors for charter operations under the direction of the Ministry of War Transport or War Shipping Administration.

Raw Materials

The Combined Raw Materials Board is headed by William L. Batt, representing the U. S. War Production Board and Sir Clive Baillieu, representing the British Ministry of Production. This board allocates strategic raw materials controlled by the United States and Great Britain among the United Nations and collaborates with other countries to secure the maximum development in utilization of their raw material resources. Complete allocations have been made on a world basis for such materials as tin, rubber and manila fibre, of which the principal supplies were cut off by the war. Similar action has been taken on certain ferro-alloys and copper and other materials which have not been cut off, but which are in short supply because war requirements have outstripped available production. In the allocation of raw materials among the United Nations normal consideration of international commerce, finance and foreign exchange are not permitted to interfere with fundamental war needs.

Production Chiefs

The Combined Production and Resources Board is headed by Donald Nelson, chairman of the U. S. War Production Board and Oliver Lyttelton, British Minister of Production. The two production chiefs reached an agreement in Washington on June 9, 1942, regarding division of labor between the British and American industrial machines, with the object of reducing demand on shipping space.

The Combined Food Board is headed by Secretary of Agriculture Claude Wickard and the Hon. R. H. Brand, chairman of the British Supply Council and head of the British Food Mission. This board sitting in Washington considers common problems concerning the supply, production, transportation, disposal, allocation or disposition of foods and food producing equipment throughout the world.

No "Union Now"

Mr. Wild points out that from the point of view of post-war planning, it is too early to assess accurately the long run value of existing machinery. While a great deal has been accomplished to date, no sensational developments in the way of experiments along the line of international government have yet occurred. "Union Now" has not been achieved.

Despite this lack of precedent shattering ventures, certain tendencies are discernible which, if they continue, may have revolutionary consequences. No one can say whether the existing combined boards and committees will endure after the war. Perhaps they are only transitory phenomena destined to be scrapped like the inter-Allied control schemes after the last war. There is hope, however, that such a reversion to nationalism will not occur again.

Post-war Thought

For one reason, all along the line from top co-ordinator to subordinate, much thought is being given to the postwar usefulness of the present apparatus. Another reason for encouragement comes from the fact that collaboration among many members of the United Nations, despite the absence of a central government over them, is now so intimate and affects so many aspects of their political and economic life that a sudden snap-back to prewar conditions of relative autonomy would be well nigh impossible.

Their ways and modes of living are being so drastically revamped and made so mutually dependent that the war-time ties could not be severed without a general collapse.

Mr. Wild declares that it is generally believed that if the benefits of military victories over the Axis are to be consolidated a formal and well-integrated league or union may have to be adopted.

International governments created in this unspectacular fashion may lack the glamor that may be associated with a great charter or a solemn covenant but the international arrangements developing in such a manner may prove stronger and have a far sounder basis for the future than a special new edifice constructed at one stroke of the pen.

Mr. Wild notes that it is on the political side that the United Nations have made least progress toward international government. Yet the political side of international government will have to be developed if the present loose alliance between the United Nations is not to degenerate into a military confederation.

Let's put the Best Foot Forward

The British Empire needs the best Canada can give; in men, in munitions, in supplies. During the last year vast stocks of Pinus Strobus were delivered to Great Britain. Millions of feet of this princely building material were purchased to further the advance of Canada's effort on the home front.

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The intensive production for war has imposed definite curtailments in the amount of material available for the regular trade. We would like to stress the fact, however, that we are producing up to the limit of restrictions as laid down by the Federal Controller of Supplies. Within that limit, therefore, we are permitted to offer a few lines of modified design to meet war-time needs.

In the meantime, we hope, with you, that Victory will soon crown our efforts when we shall be able to make the change-over to dealer and consumer goods as suddenly and as efficiently as the change has been made to war goods. When that time comes, it will be our task to help in the re-establishment of normal trade and to supply again those goods for Canadian homes which have become symbols of comfort, contentment and the Canadian way of life.

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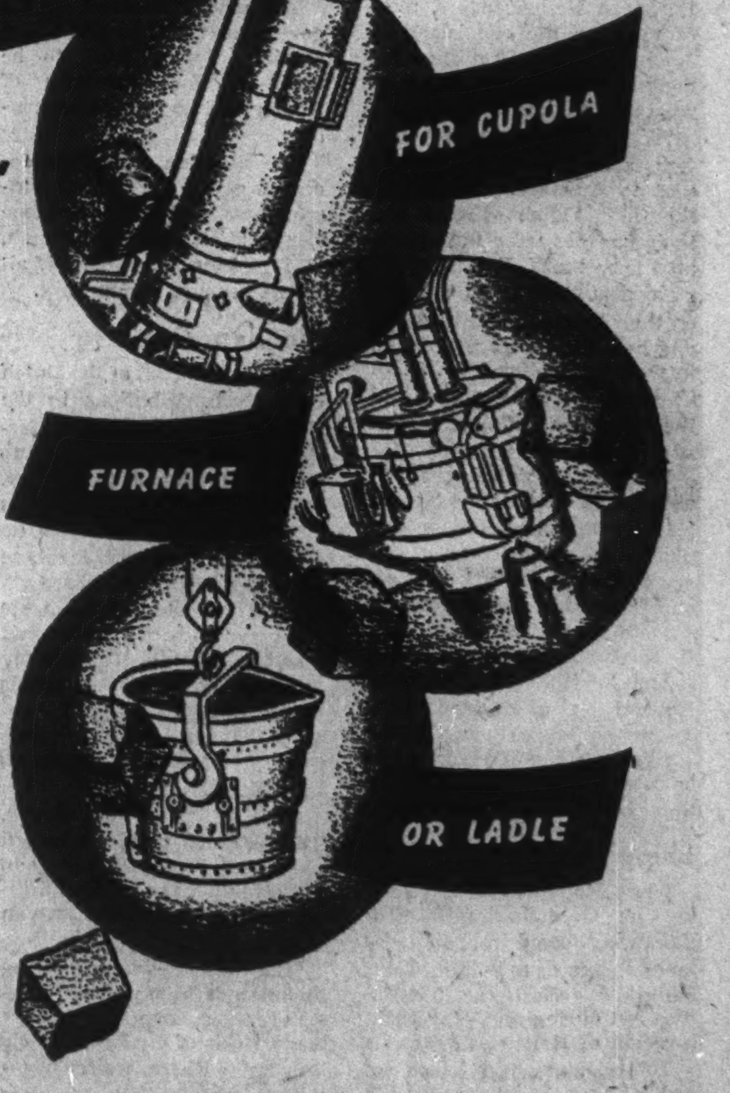

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Unconquered Holland

Many men from the Netherlands are flying or training to fly with the Royal Air Force. This picture, taken at a RAF flying training school, shows the type of men from the Netherlands under training, watching some of their comrades in the air.

Its Empire Overrun, The Netherlands Fights on With Ships, Men, and the Courage of a Nation That has Never Given in to Tyranny

The government of the Netherlands in Britain today administers slightly more than 8% of the territory of its empire in May, 1940. In this territory live less than one half of 1% of the people of the empire.

Netherlanders fought Spain doggedly, stubbornly, valorously, indomitably from 1568 to 1648. They remember that a former Prince of the House of Orange returned from Britain to his home after Napoleon was vanquished.

Here's where they start from today:

	Netherlands population	Area sq. miles
In Europe	8,800,000	13,604
East Indies	70,000,000	735,267
West Indies	290,000	67,000

Of land and people, only the Netherlands West Indies, five small islands, part of a sixth and Dutch Guiana in South America remain completely free to the Netherlanders. Complete blackout was ordered for Curacao, refinery studded island off the coast of Venezuela last February when German submarines attacked.

The Spaniards called them beggars of the sea — watergeuzen. The Netherlanders are scarcely that today — not with 2,610,000 tons of very active shipping, money in the bank, and still left the oil and bauxite of the Dutch West Indies. Particularly not with that peculiar quality of active-passive, quiescent - explosive, stubborn Dutch resistance remaining as resilient and as adamant as ever.

No Evacuation

"No evacuation" was the watchword of the Netherlands East Indies. There are 300,000 European Netherlanders, most of them on the one island of Java among the 70 million Indonesians of the Indies of whom 45 millions live on Java.

"With the exceptions of a few administrators specially sent to Australia to carry on the fight, Dutch officials and their families were not evacuated from the N. E. I. They remained at their posts to carry on their work as best they can and help the Indies population in their tribulation," Dr. G. H. C. Hart, secretary general of the Netherlands Colonial Ministry declares.

With much shipping available, the official evacuation was a group of officials in one plane. That is the type of decision that the word, "resistance," means to the Dutch as Dr. Arthur Seyss-Inquart, Reich's Commissioner, has found in Holland. Charlotte Koehler, one of Holland's best known actresses waved an orange scarf when she took bows and went to a concentration camp.

Shipping Helps

When Holland was attacked by the Germans, unfinished hulls were towed from Netherlands shipyards to Britain. That helped to offset the 324,000 tons lost during the 5-day Nazi invasion of Holland.

Total Dutch ship losses to Jan. 1, 1942, are estimated at 419,158 tons with 757 lives, but remaining is the Dutch contribution of 2,610,000 tons to United Nations totals and some 20,000 Netherlands' seamen have been added to allied maritime power since the invasion by Germany.

After the Japanese occupation of the Netherlands East Indies, practically all ocean-going Dutch merchant vessels, representing several hundred thousand tons, which were engaged in communication with and within the N. E. I., were added to the total available for the Allied shipping pool.

June, last, the Netherlands government in Britain, requisitioned all ships under the Dutch flag for the duration of the war and six months after the cessation of hostilities.

From June 1, 1942, all proceeds from the use of the Dutch Merchant Marine, from insurance payments and other sources, will be credited to the government instead of to the owners. The action does not mean the government has taken over ownership of the fleet, but only possession of the ships for the stated period. After the emergency, the ships will be returned to their owners who will receive indemnity payments for losses from deterioration, enemy attacks, or other reasons.

The entire Dutch Merchant Marine has been chartered by the British War Transport Ministry, partly on behalf of the United States government. All ships will continue to sail with Dutch crews under the Netherlands flag.

The money received by the government will be put into a special shipping fund to be used for the protection of Netherlands shipping and economy.

The shipping requisition decree is called the "logical consequences" of the Maritime Conscription Decree of March, 1942, making the services of all Dutch seamen compulsory.

No Jap Deals

Among the first of the Dutch empire's contributions to the United Nations, was its farsightedness in refusing to trade with Japan from May, 1940, onward. "Three days after Holland had given up armed resistance, the Japanese Consul-general presented a general demand for economic concessions in such a way that I had to ask him to leave my office unless he moderated his tone," reports Dr. H. J. van Mook, Lieutenant - Governor General of the Netherlands East Indies.

"The Japanese went slowly. They expected this detached plum, this orphaned colony to fall into their lap without military effort," continued Dr. van Mook.

"But the Indies were growing toward a definite national spirit of their own within the larger orbit of the Netherlands kingdom. These weird negotiations with the Japanese were carried on for 279 days, being a much discussed and much explained deadlock all the time. They ended in nothing," adds Dr. van Mook.

Bloodless Battle

But an apparent statistical result is that in 1940, Japan received less than five per cent of the Netherlands East Indies rubber export and in 1941, this dwindled to a mere 1.9 per cent of Indies rubber exported to Japan. The United States received the major share, 333,050 metric tons in 1940 and 339,062 metric tons in the first 10 months of 1941. After Pearl Harbor, the U. S. A. had a rubber stock pile of 700,000 tons, or one year's normal supply.

Here's how important the Dutch decision was, according to Paul McGuire in his book, "Westward the Course! The New World of Oceania;"—"Americans may not care to recognize it, but a battle was fought and won for the United States in van Mook's office (during the interminable economic 'conferences' with Japan of 1940-41). American war industries would have been sick in 1941 without the rubber and tungsten of the Indies. If the Indies had yielded (to Japan's importunities) wheels might possibly have slowed and stopped from San Diego to Maine. The raw materials of the Indies are indispensable to America's war machines."

The Dutch are helping to finance their war effort by a 20 per cent income tax on all Netherland subjects throughout the free world.

The Netherlands West Indies, alone remaining completely free in the Kingdom, are three islands off the coast of Venezuela — Aruba, Curacao and Bonaire; three islands east of Puerto Rico—St. Maarten, Saba and St. Eustatius and Surinam (or Dutch Guiana) in South America.

Oil Important

The principal industry is the oil refineries of the Royal Dutch Shell Oil Co. and Standard Oil on the islands of Curacao and Aruba.

While withholding details of expansion because of the war, a July, 1942, stockholders' report, declares, companies of the Royal Dutch Shell group, particularly in the United States and Britain, are increasing the capacity of their plants for the manufacture of high octane aviation gasoline, tuolene and acetone, and also are actively engaged in the manufacture of butadiene, a basic material for synthetic rubber.

United States troops were sent last February to guard the islands of Curacao and Aruba with their invaluable oil refineries. British troops had been there for many months.

Similarly, United States troops now guard the bauxite deposits in Dutch Guiana from which raw material for aluminum is shipped to Canadian refineries.

The flow of needed war materials for Curacao's defense is being speeded and the governor has suggested participation of women in the war programme "might soon be changed from a voluntary to an obligatory basis."

Other exports from the Netherlands West Indies are balata rubber, gold, sugar and rum and phosphates are available. Dutch Guiana rubber trees, producing as early as 1861, succumbed to disease and neglect, but there still are 10,000 rubber trees "virtually waiting to be tapped."

The Dutch scorched earth policy was so effective that in one of the most prolific of East Indies oil areas, gasoline no longer is obtainable for private vehicles. The Japanese radio reports that the hire of horse-drawn carriages so increased that it was necessary to put a price ceiling on buggy rides.

A similar policy was applied by planters to their rubber plantations. There are many instances of thorough destruction of oil installations in the Indies, but at Palembang, Dutchmen set a $540 million fire, in the plants and town they had built. At 22 places among oil tanks, incendiary bombs had been fixed more than 18 months previously with two main and one emergency detonator each. So fierce was the fire, Dutch on the far side of the Musi River—half a mile away—were barely able to endure the heat. The 90-mile pipe-line to the Pendopo oilfield was among equipment destroyed. The oil wells at Tarakan, Balikapan, and elsewhere, similarly were made useless to the Japanese.

In the naval battles preceding the Japanese invasion of the East Indies, the Dutch navy destroyed more enemy vessels than the total number of ships in its own fleet, Vice-Admiral C. E. L. Helfrich, commander-in-chief of all N. E. I. sea, land and air forces announced at Ceylon to which many veterans of the Indies war were sent. Other naval units went to Australia.

When the Japanese attacked, Holland had in the East Indies an army of approximately 130,000 men; an air force of 600 bombers and fighters, a navy of cruisers, destroyers and submarines,

5-to-1 Odds

This small force made as desperate resistance as Dutchmen ever made against five to one odds, sold themselves at as dear a price as ever the Axis paid —gained invaluable time for the United Nations.

The last dispatch to come from Bandung in Java before communications were severed reads:

"When on Dec. 8, (Java time) Japan declared war on the United States and Britain, the Netherlands Indies immediately through its air and naval forces charged in support of its allies—and this in the aggressive way which has so much been praised . . . but which risked the quick exhaustion of our forces; but this risk was taken in the expectation that reinforcements would soon arrive in the Far East. These reinforcements never came . . . A great part of the Dutch air force was lost in the unavailing defense of Malaya . . . As far as the Netherlands fleet was concerned, one may say it fought itself to death. The ships available in the Netherlands Indies have been lost in battle with the exception of some smaller units . . . After resistance at sea and in the air had been broken, the Japanese had practically free play. Nothing could prevent them from landing as many men and as much material as they desired. However, our command continued to be directed offensively, not only at sea and in the air, but on land as well."

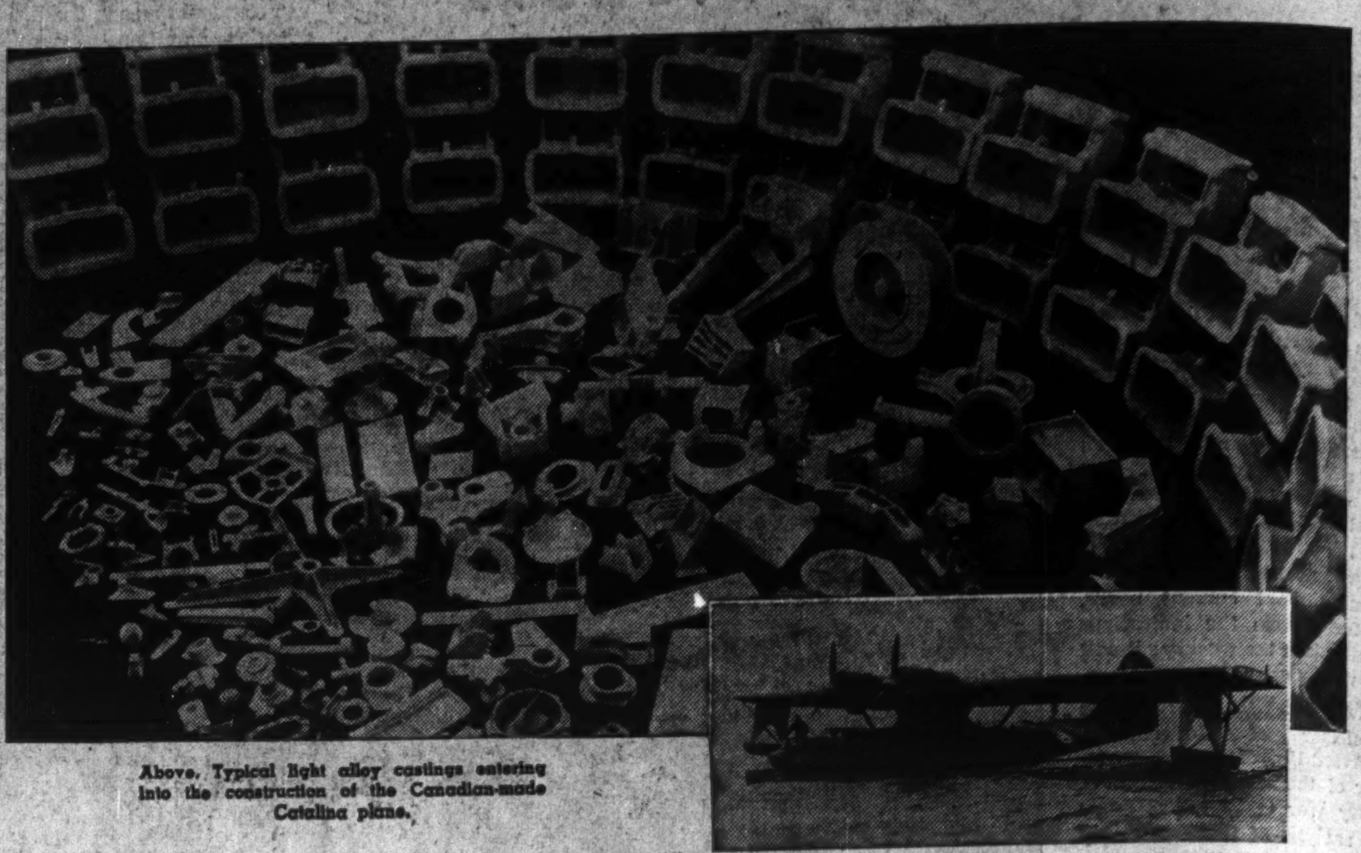
Dutchmen stood nearly alone in this vital delaying action in aid of their allies against four-fold superiority on land and 10-fold superiority in the air.

Going Back

Guerilla fighting by Indonesians began immediately throughout the Indies, giving the Japanese an appreciation of roads and a distaste for the bush. Six hundred air cadet escapees from the Indies arrived in the United States in a month or two for air training at Jackson, Miss. Hundreds of Netherlands army men, trained at Stratford, Ontario, were hurried to the Indies. Service ages for men were increased from a 22-38 year range to 17-42 years. The Dutch have been in the Indies during 350 years since the founding of the Worshipful East Indies Company and they have every intention of going back. Besides they were the first to present firearms to the Japanese—two large bronze mortars, two gun carriages and 40 bombs—in the seventeenth century. They think they need another lesson.

Anti-Nazi rioting, sabotage of German production and transportation, and resistance to Nazi rationing measures are still expanding in Holland. The Dutch, "go slow" campaign continues unchecked. Dutch civil servants take an extremely long time to study German regulations. Telephone wires are so frequently cut, civilians are compelled to guard them nightly. Many of Holland's black markets now are operated by ordinary shopkeepers. Practically the whole of the officer corps of the Dutch army was sent to German camps in fear of revolt.

"A Defective Casting May Be As Dangerous As An Enemy Plane"



Above, Typical light alloy castings entering into the construction of the Canadian-made Catalina plane.

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We must KEEP 'EM FLOATING!

In one of Dosco's shaping plants, this ship-plate is being formed to meet exact requirements. A ship has been damaged—but soon it will be back in the fight, one of a thousand vital vessels in our life-line.

KEEPING 'em rolling does little good — *unless* we keep 'em floating, unless the matériel *gets through!* And to get it through to our armed forces overseas requires ships — ships — *and more ships!* New ships, yes — but, even more important: Keeping every available United Nations ship — whether it be cargo, transport, or warship — *in this fight!*

We — the Allies — have the greatest sea-power ever massed under one united command. To this we must add new units — and, above all, what we have we must hold. We must keep 'em floating, *keep our life-line intact!*

From Dosco — one of Canada's largest industries — pours forth a constant stream of gun-mountings, shell-cases, steel for ships-in-the-building, and all other war matériel within the scope of Dosco's vast resources. Yet at Dosco we know that none is more important than the unglamourized *ship-plate for repairs* — the stuff to keep 'em floating!

And we're *keeping it moving!*

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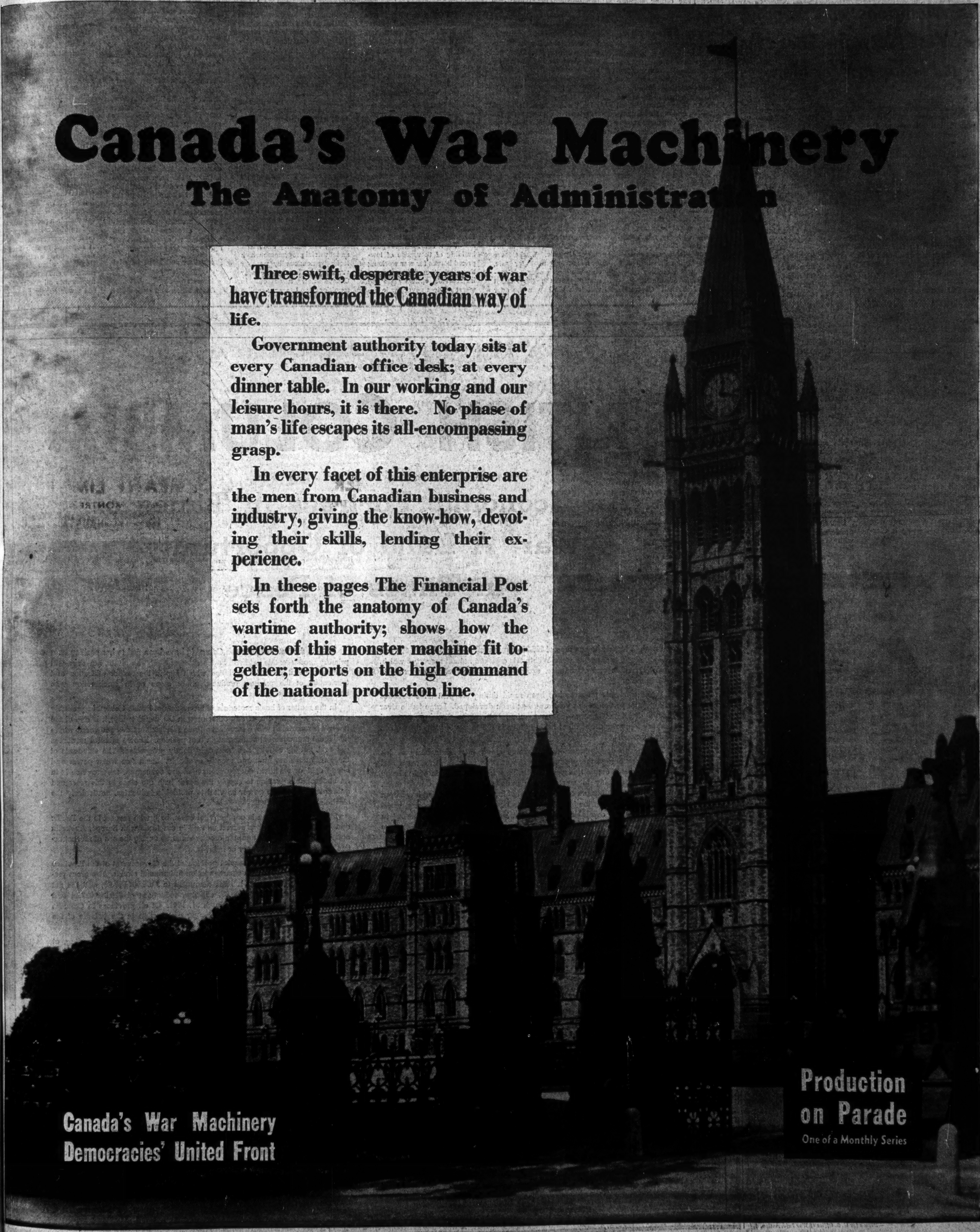
Canada's War Machinery

The Anatomy of Administration



Three swift, desperate years of war have transformed the Canadian way of life.

Government authority today sits at every Canadian office desk; at every dinner table. In our working and our leisure hours, it is there. No phase of man's life escapes its all-encompassing grasp.

In every facet of this enterprise are the men from Canadian business and industry, giving the know-how, devoting their skills, lending their experience.

In these pages The Financial Post sets forth the anatomy of Canada's wartime authority; shows how the pieces of this monster machine fit together; reports on the high command of the national production line.

Canada's War Machinery
Democracies' United Front

Production
on Parade
One of a Monthly Series

'M. and S.'

Ottawa's Biggest Business Is Munitions and Supply, A Vast Network That Has Put Nation in War Harness

Sprawling through four miles of corridors to the west of Canada's Parliament Hill is a unique institution—the Department of Munitions and Supply.

It is unique because it combines under one management the vast purchasing, manufacturing and control mechanism which this year alone will direct production of nearly $3 billions of munitions and war supply.

Traditionally, it is the armed services themselves which place contracts for war munitions. Prior to the outbreak of war, Canada set up an authority called the Defense Purchasing Board with power to enter into all contracts for supply and defense projects costing $5,000 or more. This was the infant which a year later (April, 1940) emerged as the Department of Munitions and Supply. Thus, Canada broke precedent by concentrating under a civilian authority the placing of all war contracts and the authority to organize industry for the prosecution of the war.

Three-ply Job

As the pattern began to emerge, the Department took on a three-fold job.

(1) The purchasing of equipment and supplies not only for the Canadian government but for all members of the United Nations.

(2) A vast control mechanism to ensure supplies of vital materials—timber, steel, metals, chemicals, power, transportation, etc., adequate to meet war needs.

(3) The big-scale manufacture of the actual munitions of war through government arsenals and wholly-owned Crown corporations.

Unified Control

Canada's unified control system is of vital importance. In Canada, if our own army, Russia, the British Navy, or the American government want certain articles from Canadian factories, they can be bought, made and delivered through one central office. From the first, Canada has avoided the wasteful and unfortunate spectacle of services and government departments bidding for materials, machinery and manpower which are needed in a common effort.

Canada has had many big problems of its own to contend with in war production, but basically its system has been sound and well conceived, namely one central buying agency through which all war orders can be placed.

When France Fell

Until June, 1940, this was a comparatively simple problem. After the fall of France, the avalanche descended. Very quickly, this central buying office took on its two additional roles — the large-scale manufacture of munitions themselves and control of all "essential" wartime materials and services. Within recent weeks the Department has entered a new and vital phase, namely the co-ordination of all production under one "boss"—Harry J. Carmichael, formerly Director-General of Gun Production.

13 General Managers

The first two materials which Canada moved to place under control through the Department of Munitions and Supply were timber and steel. Today, under the chairmanship of R. C. Berkinshaw, there are 13 full-time "general managers" of supply. They cover aircraft, chemicals, construction, machine tools, metals, motor vehicles, oil, power, ship repairs and salvage, steel, supplies, timber, transit, transport.

Under the direction of the Wartime Industries Control Board, these controllers hold, individually unparalleled power to buy and sell, restrict or increase production, take possession of goods or property, license, require the production of documents and so forth. Today, each controller is, as well, also a price ceiling administrator under the Wartime Prices and Trade Board.

Controls Spreading

Primarily the responsibility of each controller is to facilitate the flow of essential services or materials into war production. But the shadow of this control extends increasingly to the man in the street. Thus Mr. George Cottrelle, oil controller, was the first authority to extend consumer rationing in Canada on a nation-wide scale. His order-in-council dates back to June 28, 1940; Allan A. Williamson, controller of supplies and vice-chairman of the W.I.C.B., is chiefly known for his authoritarian control over rubber. His responsibilities include as well such widely-varied products as silk, cork, electrical appliances, bicycles, metal furniture, kapok, manila hemp, sewing machines, toys, stoves, etc. The new and increasingly restrictive regulations for staggering hours of work, limiting transport facilities are the responsibility of Transit Controller George Gray. From Montreal, Power Controller Symington is blacking out store lights, closing down factories to syphon off sufficient power to meet the heavy winter wartime industrial peak.

New Function

Alongside this control mechanism has arisen another new function, the creation and direction of fully-owned but privately operated government corporations each responsible for producing some particular war material or supply. Actually, when the load of war orders got far beyond the capacity of existing industrial plant and equipment, the government provided two solutions.

On the one hand, it said to individual manufacturers, you build new plants at our expense. We will provide machinery, equipment and, if necessary, working capital. You then operate the plant, sell us the goods at cost or else we will pay you a management fee for doing the job. Well over $500 millions of public funds have been used in this way. In many cases, the firms have the option of buying the plants or the equipment or both from the government either over a short period of time or else at the end of the war. Where there is no arrangement for sale, once the war is over it is presumed that the government will lock the key in the door and wait for an opportunity to dispose of the property.

Crown Companies

The other solution was more unusual, more revolutionary. Today, Canada has over a score of Crown companies run exactly like any other private business, but responsible directly to the minister of Munitions and Supply. Capital advances to these companies are substantial—possibly over the $100 million mark (although some of the companies with the largest responsibility have leaned little if at all on government funds). In all, these companies employ possibly 100,000 workers, and the list is extending continuously.

Some of these companies are well known and have become an integral part of the nation's industrial fabric. Others work more quietly. Included in the jobs they have been given to do are responsibility for most of Canada's chemicals and explosive programme; production of hundreds of Anson bombers; production of cargo ship contracts running into the hundreds of millions; selling of munitions and supplies in the United States; the manufacturing of Lee-Enfield rifles and Sten sub-machine guns; building of thousands of low-priced houses for war workers; the production of fire control instruments, optical glass and secret devices never made before in this or any other country; the salvaging of old machine tools as well as the purchase and distribution of tens of millions of dollars' worth of new ones.

Some of the companies are purely administrative, set up for example to deal in rubber, silk, metals, etc. One company is charged with responsibility for Canada's synthetic rubber programme; another utilizes skilled civilian enemy aliens in the design, repair and manufacture of machinery and machine tools. In each case responsibility extends directly from the Minister himself. Within recent weeks, two new companies to facilitate and extend the use and manufacture of plywood in the manufacture of airplanes and other war uses, have been formed.

Increasing Volume

Behind this still-growing mechanism stands the basic fact that since June, 1940, the flow of orders for war supplies and munitions has poured out in ever-increasing volume. Because, in early days, manpower seemed plentiful and there was to the south of us a seemingly inexhaustible supply of those strategic materials which we lacked, this country undertook an industrial programme which looks tremendous by pre-war standards. Thus in one year Canada now turns out in munitions and war supplies alone, an amount of goods equivalent to the entire peacetime production of all the manufacturing industries of Canada prior to 1939. Within the space of little more than two years we have paralleled a productive output which had been in the making for 50 to 70 years.

A New Boss

The most recent and significant development in Canada's war supply mechanism has been the appointment a few weeks ago of Harry J. Carmichael as co-ordinator of production. Under Mr. Howe, the Department now has two main channels of authority, Harry Carmichael, Co-ordinator of Production; R. C. Berkinshaw, Chairman, Wartime Industries Control Board. Administrative machinery is largely the responsibility of the Deputy Minister and J. P. Pettigrew, assistant Deputy Minister.

For the first time since the creation of the Department, authority has been now delegated to one man to co-ordinate and direct all branches of the Department responsible for production. Under Mr. Carmichael are now placed the following directors-general and government Crown companies responsible for production:

Production and Departmental Branches

Aircraft
Ammunition and guns
Arsenals and Small Arms Ammunition
Automobiles
Communications and Fire Control
Naval Armament and Equipment
Tanks
Gauges and Cutting Tools
Shipbuilding
Army Engineering Design
Chemicals and Explosives

Crown Companies

Allied War Supplies Ltd.
Cutting Tools & Gauges Ltd.
Federal Aircraft Ltd.
Machinery Service Ltd.
National Railways Munitions Ltd.
Research Enterprises Ltd.
Small Arms Ltd.
Toronto Shipbuilding Co.
Trafalgar Shipbuilding Co.
Wartime Merchant Shipping Ltd.

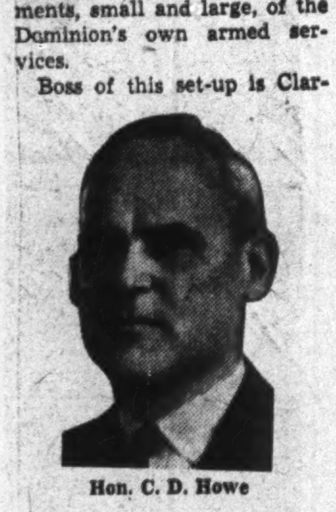
Co-ordination

Creation of this new authority recognizes the fact that only increasing co-ordination not only of production authority within the Department itself, but co-ordination with other government control agencies, can maintain present schedules in face of decreasing supply of manpower and materials. What is expected to flow from the new set-up is a concerted nation-wide drive to conserve materials and extend new techniques into all phases of Canada's war supply programme.

Supply Boss

Three years ago Canada's munitions purchasing organization had three members, today it has over 4,300. Their job is to handle Canada's biggest business—providing ships, planes, tanks, guns and all the munitions of war for the United Nations all over the world; and of purchasing all the requirements, small and large, of the Dominion's own armed services.

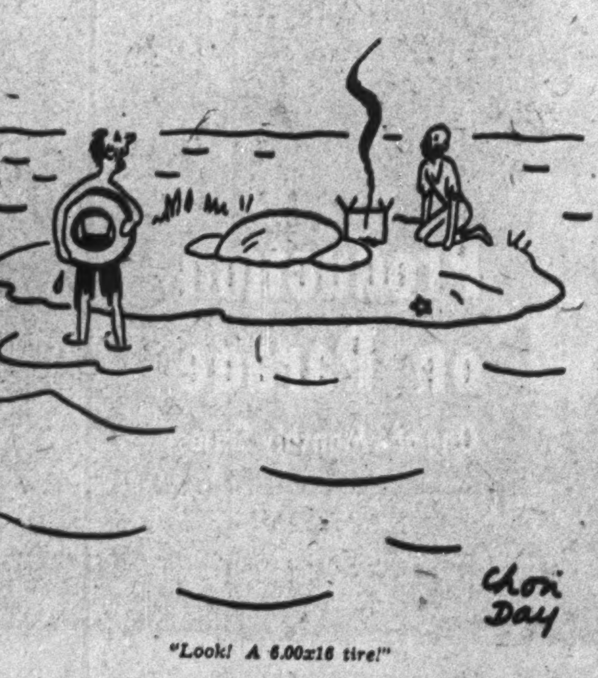
Boss of this set-up is Clarence Decatur Howe, Minister of Munitions & Supply, American born civil engineer.



Hon. C. D. Howe

Under C. D. Howe comes a long list of controllers, general managers of Canada's industrial life, who watch and control almost every detail of Canadian life. Under Howe's direction D. M. S. has created productive facilities worth $690 millions, incorporated 21 Crown companies, so far has placed $4.8 billions of contracts, is currently handing out over 18,000 contracts a month.

C. D. Howe has always been associated with big projects, his reputation as an elevator builder is world wide. His ability to talk the language of big business has played its part in lining up Canada's industrial war effort.



"Look! A 6.00x16 tire!"

—Drawn for U. S. Office of War Information.

BRITISH COLUMBIA

An Economic Fortress in Times of War; A Land of Opportunity in Times of Peace

British Columbia has an area of 366,255 square miles, of which only one-half of one per cent is municipalized. Within this area are natural resources which, in variety, value and abundance, exceed those of other economic areas in the Dominion.

While economic progress has been rapid during the past three decades only a small portion of this vast area has been developed. Large fertile river valleys await settlement; enormous mineral resources lie dormant; and immense forests and abundant fishing grounds are ready to yield their much needed products.

The Coast is deeply indented by numerous deep water inlets, and provides excellent harbourage the year round. The existing network of railways and highways affords ample transportation facilities for current needs and is being developed constantly to meet future demands incidental to development. Water-power resources are an integral part of industrial activity and have been mainly responsible for the industrial growth now enjoyed; large, easily accessible reserves are available. Last, but not least, is a climate unequalled in Canada, which facilitates greatly industrial pursuits, and is an irresistible lure to the tourist.

The population of British Columbia has grown from some 36,200 in 1871 to 809,203 in 1941; over seventy per cent of this number is of British extraction.

The best evidence of industrial development is, perhaps, the proportion of the national wealth located in the Province. It has risen from $1,365,000,000 in 1921 to some $2,800,000,000, and, on a per capita basis, is greater than that enjoyed by any other Canadian Province; the same is true of the per capita purchasing power of the people.

Excluding gold to foreign countries, exports during 1940 amounted to $165,220,530 as against imports of $147,484,199.

A survey of production reveals that our forests produced a gross value of over $100,000,000 in 1940, as against $45,460,000 in 1934. Mine products were $75,352,730 in 1940, or $26,530,000 greater than in 1935. Agricultural production had a value of $51,770,000 and showed an increase of $7,000,000 during the same period. The yield from fisheries was $21,710,000, as against $15,170,000 in 1935.

Gross values of manufactured production portray a startling growth. The gross value in 1880 was $3,122,000; in 1910 it was $65,204,000; from thence, during the next twenty-five years, it grew to $198,106,000, and by 1940 it had risen to $293,629,000.

Statistical analysis of tourist traffic is extremely difficult. British Columbia has been so richly endowed with natural attractions that it is, and will be increasingly, one of the basic industries. A conservative estimate of its worth during 1939 was $30,000,000.

Due to various factors of geography, population, natural resources and national policy, British Columbia has, in a comparatively short time, become one of the great primary producing areas of the world. Notwithstanding market vagaries, the advance has been rapid and consistent. Notwithstanding also the disorganization caused by the war, and the natural hesitancy to predict the industrial futures of this or any other area, what study has been given to past events and experience leads to the conclusion that the basic problems and prospects for British Columbia's future are not altered greatly.

To date the fortunes of British Columbia have been tied to her position as a primary producer; this field will be extended further. The future, however, will witness a great industrial evolution which lies in the further utilization and fabrication of the primary products, either alone or in combination with imported materials.

In the matter of basic materials of manufacture, British Columbia probably enjoys an advantage over any other area in the world today; it is one of the few areas remaining with a large exportable surplus of quality softwoods where intelligent management can maintain that position. Known mineral resources are vast, yet the country has been only lightly prospected. The standards of these resources are high and readily available. Insofar as water power and cheap coal for electrical energy production are concerned, the Province is in an unassailable position to supply the need; both are close to tidewater and guarantee that cheap power so vital to profitable industries, particularly the electro-chemical type.

Ocean transportation is another vital asset, both with respect to the Pacific and Atlantic coasts. It has served us well in our trade with Europe, Australia and Asia, and will do so again in greater measure during the era of reconstruction which must come sooner or later.

The soundness of the financial position of the Government of the Province has been the subject of high commendation in financial circles. The gross provincial debt, as at March 31, 1942, amounted to $165,584,087.06, and the net debt amounted to $145,685,090.77, showing reductions of $26,649,027.94 and $6,361,448.96 respectively since March 31, 1941. Of all provinces in Canada, British Columbia is the only one showing a reduction in the volume of the debt since 1933.

Since March 31, 1942, the Province has been successful in refunding, at low interest rates, part of a large issue maturing on July 15 of this year, and has effected debt repayments which will further reduce the gross by at least $7,000,000. Thus, during a period of sixteen months, repayments have enabled a debt reduction of over $33,600,000, and, incidentally, have reduced interest requirements by approximately $1,633,000.

During each of the years 1933-34 to 1940-41 current revenue exceeded materially current expenditures, and the aggregate of these surpluses—$29,060,320.58—enabled the allocation of $16,540,036.27 for debt redemption and $12,520,284.31 for the relief of unemployed.

Estimates for the year 1941-42 indicate an all-time high in revenue of some $38,500,000 which, after the payment of current expenditure, unemployment relief, and some $2,000,000 of debt maturities, leave a substantial surplus which will enable the further debt reduction already referred to.

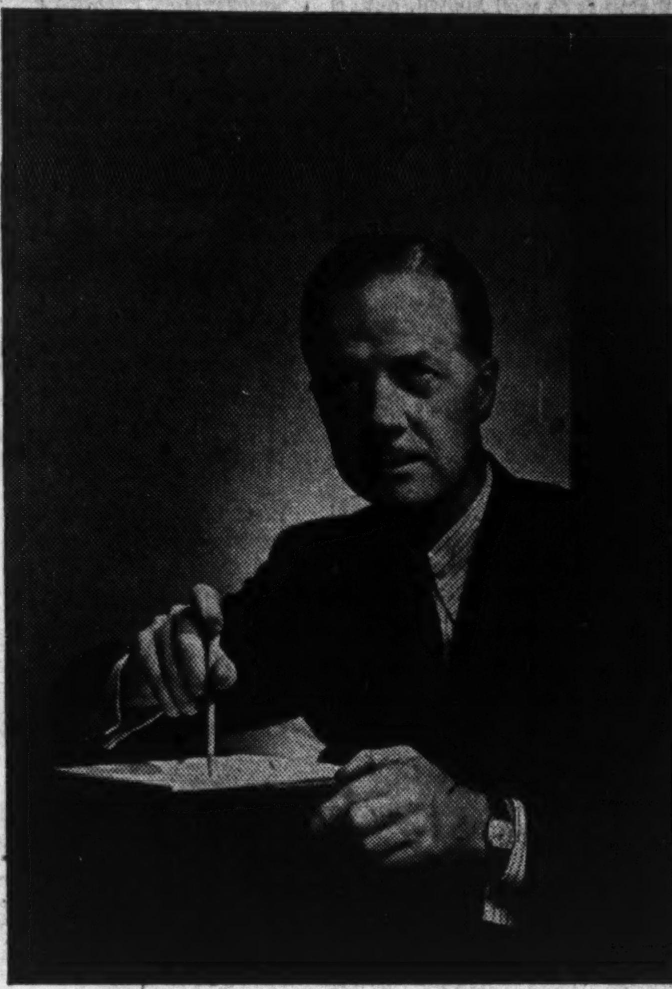
Natural resources and government facilities have been dedicated to the successful prosecution of the war; while much already has been done, a great deal more will be accomplished.

British Columbia, therefore, is in the unique position of contributing substantially towards the war effort and towards the post-war reconstruction period and enjoying an economic position which allows greater confidence for a future blessed with prosperity and sound development.

JOHN HART,
Premier and Minister of Finance.

New Information Board Heralds Changed Policy in Telling Story of Canada at War

Most important recent addition to Canada's constantly growing roster of governmental bodies is the Wartime Information Board. A few days ago the board announced its personnel — representative civil servants from half a dozen departments. At the top is ex-newspaperman Charles Vining, who resigned as Newsprint Controller for W. P. T. B. in order to take the chairmanship of the Board, and is on loan from his peacetime job as president of the Newsprint Association of Canada. His associate chairman is shrewd, politically wise Hon. Philippe Brais of Montreal.



—Photo for The Financial Post by Karsh.

Whole machinery for telling Canadians and others the story of this country's war job has recently been reorganized. Charles A. M. Vining, shown here, who was formerly head of the Newsprint Association of Canada, has been named chairman of Wartime Information Board and given the job of telling Canada's story in this country and the United States.

Eventually there will be a small handful of administrative officials at Ottawa to carry out the policies of Mr. Vining and his board as well as new offices in New York and Washington. For the rest, Mr. Vining's present stated intention is to have existing Ottawa news and informational service carry on very largely as in the past.

New Board

The major administrative change is the transfer of the present Directorate of Public Information from Hon. Joseph Thorson's Department of National War Services, to the new War Information Board. Coincident with this change, G. Herbert Lash, Director of Public Information, and two of his chief associates, have resigned. A major point at issue was apparently the fact that Mr. Lash had not been included in the roster of Wartime Information Board membership.

Out of Publicity Maze Has Emerged a New Set-up With Direct Responsibilities and Duties Home and Abroad

Mr. Lash has carried the chief responsibility for operating Ottawa's central publicity and news services since the early days of the war.

In the Prime Minister's statement of Aug. 26 which announced the formation of the Wartime Information Board, Mr. King said that "the government wishes to retain the services of Mr. Lash in his capacity as an officer of the board." But membership on the Board and the holding of office as an officer of the board are two different things and Mr. Lash preferred apparently to return to his peacetime job with the Publicity Department of the C. N. R. rather than continue as an officer under Mr. Vining.

What's Coming?

What may the new Board be expected to do that Mr. Lash and other departmental publicity officials have failed so far to achieve?

To attempt an answer to that question requires a brief review of some backstage Ottawa history.

The story which has been told many times at Ottawa is that at the very outset of the war, an effort was made to convince Prime Minister King that some sort of a Ministry of Information was a wartime necessity. An outstanding political figure (now holding a high cabinet office) was suggested as the man to head such a department.

But Mr. King held to his belief that such matters could and should not be divorced from the Prime Minister's office. The idea of concentrating under one authority, responsibility for this vital sector of the war effort, fell by the wayside.

Individual departments of government were quick to expand their own wartime publicity and "public relations" services. In some departments (and more especially in respect of Canada's relationship with the United States) little or nothing was done.

Inferiority Complex

From the central Bureau of Public Information, organized first by Walter S. Thompson, chief of the Publicity Branch of the C. N. R. and later in charge of his associate, Mr. Lash, came complaints of a departmental "inferiority complex."

There were deft attempts here and there, to color in the canvas of Canada's informational and inspirational war leadership but no masterful, overall artistry such as most Canadians believed essential. There is doubt as to whether the War Committee of the cabinet (which plays such an outstanding part in the administration and direction of the Canadian war effort) knew or cared very much for what was or was not done. It was someone else's responsibility, and Mr. Lash chafed and fumed under a growing sense of frustration.

There was a momentary upsurge last year when the government moved to appoint Paul Reading as publicity liaison officer at Washington. But those on the inside knew that there had been a failure to convince the Prime Minister that a bigger, bolder plan was imperative to improve and mend ragged Canada-U. S. news and publicity relationships.

The plan which at that time was shelved was one devised and suggested by Mr. Vining himself, in the form of a confidential memorandum to certain high-placed friends at Ottawa. It called for establishment of a Canadian information bureau in the United States. It was the prelude to a private report made this summer by Mr. Vining to the War Committee of the cabinet at the request of the Prime Minister and which has now been adopted almost in toto by the government.

Essentially the new plan starts from the premise that a proper and effective programme of information services must stem directly from the Prime Minister and the war cabinet itself, rather than be a matter of mere departmental whim.

Thus Mr. Vining's new board will be responsible to Mr. King as president of the Privy Council and chairman of the War Committee. To quote from the Prime Minister's statement in announcing the new board, the plan is based on "a conception of information services as an essential activity of war" the war being regarded "as one of mind and spirit as well as of physical forces." Whether Mr. King has himself experienced a personal conversion to this view, remains as yet to be seen.

Specifically, the first step is to be the establishment of news and information offices in Washington and New York. No press releases or publicity will be distributed from these offices but they will be available to give firsthand information on Canada to all enquiring newspapermen, officials or private citizens.

There is to be a co-ordination of existing Canadian publicity services in Great Britain.

There is to be gradual simplification of existing practices in regard to departmental news and publicity activities.

Mr. Vining has made it clear that he does not intend to supersede existing departmental bureaus but it is taken for granted that each one will be required or requested to conform to general lines of policy as laid down by Mr. Vining's board. An attempt will doubtless be made to reduce the present flow of mimeographed press releases to minimum proportions as will all manner of material now distributed by mail. In this, Mr. Vining's Board will be assisted by the new Director of Internal Economies Col. John Thompson who is concerned from another angle—the saving in public funds—in cutting down unnecessary publications and printed material.

Presence of Hon. Philippe Brais on the Board as Associate chairman with Mr. Vining is taken to mean that the whole vexed and complex problem of French-Canadian and English-French relationships in Canada will be brought into review.

The fact that Mr. Vining's Board also includes men like Elliott M. Little, director of National Selective Service, is indicative of a new appreciation of the important liaison between manpower policies and public morale and education.

There is no reason to suspect an early disappearance of the Public Relations offices which have grown rapidly at Ottawa since the outbreak of war. Many of these have proven a valuable and essential part of Canada's war effort. Their function carries in many cases far beyond the realm of news releases into every branch and function of the department which they serve.

Iceland's Pride

Political wiseacres lifted surprised eyebrows a little over a year ago when Joseph T. Thorson was upped to Cabinet rank as Minister of National War Services. Common Ottawa gossip at the time had a new appointment coming but few were the gossipers who figured the post would go to Thorson. As it turned out, he was as surprised as they were.

That appointment came as something of a reward for one of the hard working members in Parliament since 1926, when he was first elected for the riding of Selkirk. A Rhodes scholar in 1910, later a Manitoba lawyer, Joe Thorson got some solid work in before his most recent appointment as chairman of the War Expenditures Committee. Of Icelandic origin, he can still handle the native tongue fluently enough to provide the commentary for an Icelandic film recently produced by the National Film Board. Mr. Thorson's origin has led to him being hailed as a good representative of the strong New Canadian element of the West.

Hon. J. T. Thorson

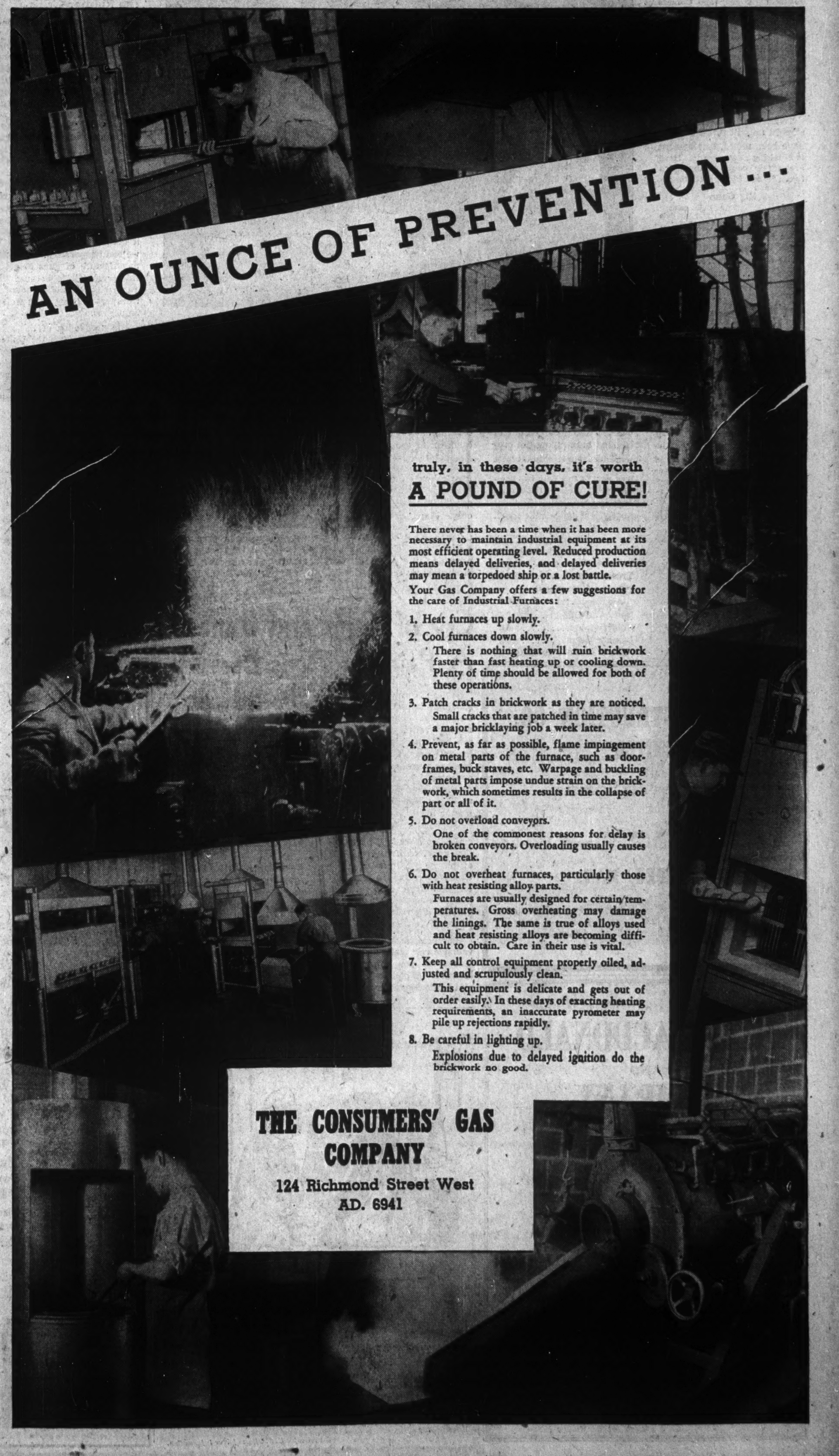
National War Services has recently declined in importance with transfer of the Bureau of Public Information to the Wartime Information Board, and the military call-up to the Labor Dept. Ottawa figures that a good spot for the studious Thorson would now be the presidency of the Exchequer Court of Canada, according to current report.

Skeet Shooting Helps Train Air Gunners

Skeet and trap shooting have assumed increasing importance in the gunnery training programme of America's army air fighters. Facilities for instruction and practice in these shotgun sports are fast being expanded. Extensive training at the semi-circle firing line of the skeet field is being given to both pilots and non-pilots in the army airforce and combat crews.

Clay pigeon shooting has always been one of the hobbies of the military flyer. This form of shooting is an aid in the rapid and effective development of expert gunners, as army airforce training officers point out, this sport provides to most students their initial contact of the art of swinging and following through on a target.

The ability to "lead" the target, that is, to gauge accurately the distance the gun must be aimed ahead and over a moving target allowing for both forward speed and fullest trajectory is necessary for effective shooting.



AN OUNCE OF PREVENTION ...

truly, in these days, it's worth

A POUND OF CURE!

There never has been a time when it has been more necessary to maintain industrial equipment at its most efficient operating level. Reduced production means delayed deliveries, and delayed deliveries may mean a torpedoed ship or a lost battle.

Your Gas Company offers a few suggestions for the care of Industrial Furnaces:

1. Heat furnaces up slowly.
2. Cool furnaces down slowly.
   There is nothing that will ruin brickwork faster than fast heating up or cooling down. Plenty of time should be allowed for both of these operations.
3. Patch cracks in brickwork as they are noticed.
   Small cracks that are patched in time may save a major bricklaying job a week later.
4. Prevent, as far as possible, flame impingement on metal parts of the furnace, such as doorframes, buck staves, etc. Warpage and buckling of metal parts impose undue strain on the brickwork, which sometimes results in the collapse of part or all of it.
5. Do not overload conveyors.
   One of the commonest reasons for delay is broken conveyors. Overloading usually causes the break.
6. Do not overheat furnaces, particularly those with heat resisting alloy parts.
   Furnaces are usually designed for certain temperatures. Gross overheating may damage the linings. The same is true of alloys used and heat resisting alloys are becoming difficult to obtain. Care in their use is vital.
7. Keep all control equipment properly oiled, adjusted and scrupulously clean.
   This equipment is delicate and gets out of order easily. In these days of exacting heating requirements, an inaccurate pyrometer may pile up rejections rapidly.
8. Be careful in lighting up.
   Explosions due to delayed ignition do the brickwork no good.

THE CONSUMERS' GAS COMPANY

124 Richmond Street West
AD. 6941

How Big Are Our Reserves?

Far Greater Than We Expected, Canada's Reserves are Now Largely Measured by the Reductions We Can Make in Civilian Standards of Living

When it comes to total capacity a nation is much like the individual who never knows what he can do until really pressed. A year ago Canada was employing war workers and turning out more industrial production than ever before in the country's history. Citizens were paying higher taxes, and many industries were actually working at greater than previously rated but never fully tested capacity.

Today that pace has been stepped up still further. Taxes have been raised, employment is breaking new records. Here are a few concrete examples taken from official statistics:

Big Gains

	% gains year to date over same period of 1941
Iron Output	40.7
Steel Output	20.4
Coal Output	13.0
Crude Oil	14.2
Electric Power	17.3
Employment	33.0

At first glance this would look as if Canada still had lots of reserve capacity, that we could go on almost indefinitely increasing the output of various industrial products, hiring more workers, putting more freight trains into circulation. Surely such gains this year, the average person might argue, would indicate that there were still big reserves to draw upon.

Expert observers, however, are more doubtful. They point out that the gains this year, in contrast to the expansion of last year and earlier, have been made largely at the expense of industries not directly connected with the war. This time last year, it should be remembered, there had been relatively little scrimping. The average Canadian was making more money, and spending more money than ever before. The standard of living was practically unimpaired.

Public Information Photo.

Canada's contribution to winning the war includes men and equipment for army, navy and air force. Our factories are now a unit of the productive strength of the United Nations, making a notable contribution in all lines of war materials and goods required to maintain fighting strength both in and behind the lines. Already far beyond earlier expectations, Canada's war production is expected to peak early in 1943.

That is not the case today. In other words, while we have been increasing our output of steel and multiplying the production of guns, ships, tanks, and other war materials, a very large part of this gain has been the result of restriction of peacetime products. The declines below indicate the trend.

	% declines this year to date over same period of 1941
Auto Sales	77.1
Truck Sales	49.1
Construction Contracts Awarded	29.8
Newsprint Output	2.4
Gold Output	6.3
Lumber Output	10.3

These declines indicate the trend. Moreover when figures covering the fall period now commencing are available, undoubtedly they will show much greater contraction. The real restrictions on ordinary consumer goods have become serious in the last few months only. The real effect is only beginning to show in the statistics.

Right now Canada is approaching the peak of war production planned a year ago. Most of our new war factories, into which the government and private industry have poured hundreds of millions in the last 18 months, are now in production and should be reaching full volume in the next few months.

Two questions now face the authorities responsible for this war production programme.

First: can we maintain current peak production?

Second: can we, if hard pressed, expand this output still further?

Both of these questions hinge not on normal capacity but largely on how much farther we can divert labor and materials from civilian supply. By a year ago Canada had practically used up all idle or normal reserve capacity. In the last six months we had encroached heavily on civilian supply. From now on we are forced to live largely on our own fat.

But why not build more factories, create still more capacity, it has been asked. The economists shake their heads. Undoubtedly we will have to continue building some plants, but because this building absorbs labor and materials urgently needed to maintain current war production of finished goods, from now on we will only build those plants that are absolutely essential.

The Rubber Crisis

A case in point is synthetic rubber.

A year ago Canada did not have any special worries about its rubber supply. This was coming in regularly and in ample volume to meet current needs from the Malay States and the East Indies. True, we were unable to build up any huge surpluses, which was unfortunate in the light of later events, but users were being kept fully supplied.

The rapid Japanese conquests last winter of course, changed all that. The United Nations supply of crude rubber almost dried up overnight and it became imperative, even if we had temporarily to stop the manufacture of guns to get a rubber substitute because the guns without rubber-mounted transport to carry them would be useless.

The production of this synthetic rubber from the United Nations has been left almost entirely to the United States and Canada. So far as we are concerned it will be months before the new material will be manufactured in volume. In the meantime we are doing two things.

First, digging into our slim reserves of raw rubber.

Second, through prohibition on the sale of new tires and gasoline restrictions, we are gradually forcing our private motor cars off the road and utilizing their old tires for scrap rubber. Even with this drastic step it may be touch and go.

Generally speaking, it will be only situations comparable to the current rubber crisis which the authorities will allow to interfere with our war production programme. Rubber has been the most publicized of the scarce commodities, largely because, via the motor car, it affects almost every family in the Dominion. Others not so well known, but equally affected by enemy conquest, would be a few metals such as tungsten and tin and a few foods, spices and oils.

Some of these things are not absolutely vital and we will do without them. The metals, and especially the strategic ones we must have in some quantity but through better utilization of scrap, development of new mines in Canada and substitutes, we will get along.

On the great bulk of our necessary raw materials, competent observers are confident that we can get along so far as war production is concerned, provided transport and labor are available to get them out. They point out that aside from those relatively few vital products not available on this continent, labor is the main governing factor in supply. The lumber, oil, coal, iron, copper, nickel, even food is there, provided we have the manpower to get it out.

Manpower Reserves

Let us look at our vital reserves of men and women to produce the munitions and food and to fill the fighting services.

At the present time almost all our able bodied men are either working or are in the services. Yet in the next 12 months our army, navy and air force may need up to 200,000 men for reinforcements and new formations and several thousand young women. During the same period the war factories must also have thousands of new workers to replace natural wastage through old age and staff those vital plants just getting into full production.

Normally about 200,000 young Canadians reach maturity each year. Approximately half of these will be men, half will be women. This pool will not be sufficient to meet the expected requirements of the armed forces alone, so far as men are concerned. A minor part of the problem will be solved by asking men of retiring age to continue working but the big gap will have to be filled by women, and not just single women, but married women who would ordinarily stay at home.

At present some 150,000 women are employed in Canadian industry. In less than a year that number will have been more than doubled. How far we can finally go in this respect is indicated by figures from Britain.

In the Mother Country 5.5 million women are working full time in vital industry and 5.25 million men are in the armed services. Allowing for the difference in total population the Canadian equivalent would be 10 times as many women as we are employing in Canada at present and about twice the number of men already in our army, navy and air force. That comparison indicates the strength of our manpower reserves.

Cry of 'Rags and Bones' A Pain for Axis Ears

Salvage continues of outstanding importance to the war effort. Paper has high military value. One ton of it can be turned into 100 boxes for anti-aircraft shells, or 800 small shell cases, or 9,000 components for sea mines, or 22,000 cartridge cup plugs for small shells, or 484,000 washers for mortar bombs, very lights, or smoke bombs.

Old bones are food for munition work. A bone gives ⅛th of its weight in a fat from which glycerine is extracted for explosives. Another ⅛th goes to make glue and pearl glue is used in camouflage paint.

Old pots and kettles are valuable raw material. A nine-inch sauce pan can make a bayonet. A pail and a three pint kettle together will supply enough metal for a rifle. An old fire grate and a coal scuttle will produce a light machine gun. Two tons of scrap metal will make a naval mine. Four tons will make a 4-inch naval gun. Some of the products in five tons are 40-500 pound bombs, 250 anti-aircraft shells, 500 light machine guns, 5,000 rifle barrels or 8,000 Bofor anti-aircraft shells.

INDIA IRRIGATES

India has the largest irrigation system in the world on which the government has spent over $400 millions. The area under irrigation in British India alone, excluding the Indian States, is 53.7 million acres, over 22 times the area irrigated under United States federal projects.

"Well, what do you expect for 25 cents — gasoline?"

—Drawn for U. S. Office of War Information.

WE DON'T BELIEVE IN BAD LUCK!
DO YOU?

"Bad Luck" is too often blamed for
carelessness—poor workmanship—other human failings.
We didn't want "Bad Luck" to enter our work
so we chose master leatherworkers . . .
gave them research facilities and good tools . . .
took the guesswork out of leather tanning.

We're proud of our tradition,
guard it carefully . . .
we're proud, too,
to be serving Canada by supplying high grade sole leather
to help make Canadian Army shoes
"the best in the world!"

Leather has been used in many ways to help industry
as a substitute for metals, plastics, rubber.
Perhaps we can help you, too!
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HEAD OFFICE
EDMONTON, ALBERTA

CANADA

WAR-TIME CONTROL OF EXPORT TRADE

In the calendar year 1941, Canada's exports of merchandise reached a total value of $1,621,000,000 — the highest value on record.

While the sheer size of this trade is noteworthy, the direction and the character of it are much more important.

Today, Canada's exports must satisfy two searching tests:

1. They must be destined to markets where they will contribute most to the fighting strength and support of the democracies.
2. They must consist of products that represent the most effective use of the steel, base metals, timber and other raw materials consumed.

A wide measure of export trade control has been adopted by the Dominion Government to ensure that these tests are applied to Canadian export shipments in an efficient and systematic way.

Thanks to the co-operation of business interests throughout the Dominion, Canada's export trade has been forged into a powerful instrument of economic warfare.

The need for vigilant trade control is more imperative today than ever, and the closest co-operation of all concerned continues to be a war service contribution of vital importance.

●

DEPARTMENT OF TRADE AND COMMERCE
OTTAWA, CANADA

Hon. JAMES A. MacKINNON, M.P.
Minister

L. D. WILGRESS,
Deputy Minister

The Parade No Soldier Misses

There are two parades every nth that no soldier misses luntarily — the pay parades. ompt and regular pay, like per food, are big elements morale.

Behind the payline is a long ain of operations of which w army men and fewer civilns have any idea.

Heading the chain is the Payster General, Brigadier A. R. ortimore. He is located National Defense Headquarrs at Ottawa, is a member of e administrative staff.

As the boss of the pay serces for the whole Dominion, d the Canadian forces overas, his attention is devoted to e matters which would come fore the general manager of bank or an insurance comny rather than the details of ch individual soldier's pay.

To assist him he has a staff well-trained accountants. eir text books are the Pay d Allowance Regulations of e Army and Financial Regutions for the Active Force.

But there is a great gap beeen the Paymaster General d private Jack Canuck getg his pay in cash twice a onth.

he D. P. M.

The first section in the idge across this gap is the istrict Paymaster. He is loted at District Headquarters th a detachment which varies size according to the size of e district. Thus, in Toronto, e District Paymaster has obably the largest detachnt in Canada.

The District Paymaster, unr the Paymaster General is sponsible for all district pay atters, including pay services d training of officers and en for the Pay Corps.

raining Personnel

Training men and officers r service in the Pay Corps an important element in his ork. In Military District No. pay office at Toronto, there e usually 15 to 20 officers in aining. This reserve of payasters has to be kept up to level sufficient to provide placements for new units hich may be organized and for e overseas forces.

When an overseas unit is ing organized, one of the st things done is to appoint paymaster.

Actual paying of the men is ne by the Regimental Payaster. He is a member of the y Corps attached to the unit ncerned, for duty.

aid In Cash

As a rule all men and offirs while in Canada are paid cash. There is some variation in this in the case of small detachments which are paid by cheque. For instance, a small detachment of signallers at an outpost on one of the coasts, or in the North, would probably be paid by cheque.

Estimates Needs

But how does the Regimental Paymaster know who he should pay and how much?

He is furnished with copies of the unit's daily orders which must show all the necessary particulars regarding each man, his rank, length of service, etc. The scale of pay and allowances sets the amount of pay to which the individual is entitled each day.

These rates are adjusted upward for promotions, trades pay, etc., downward for being A. W. O. L. or other penalty.

Audits of pay lists are made monthly and once a month without warning, an officer from the District Paymaster's office visits every unit, checks over the Regimental Paymaster's documents, counts the cash on hand and verifies the amounts in the bank. The inspecting officer checks the amount paid out against the number of men and the different grades of pay authorized for the unit.

Getting the Cash

But just how does the Regimental Paymaster get the necessary cash?

Every month he estimates the amount of money he thinks he will require and forwards a requisition to the District Paymaster, who obtains a cheque from the treasury branch for the amount which the Regimental Paymaster deposits in his bank account.

When a man returns from overseas, great care is taken to ensure that he will not be short of cash.

When the troops get off the ship at the seaport, their personal pay documents are put on the train with them. The District Paymaster at the point of destination is usually advised well ahead of the number coming and the time of arrival.

Some hours before the train reaches its destination, a detachment of pay corps men get aboard to check the documents.

Then when they detrain at the destination, the depot paymaster can go ahead and pay without delay.

Officers, when overseas, are paid by having their money deposited to their account in any bank they may name.

Other ranks overseas are paid by cash by the paymaster and each man is issued with a pay book. This pay book has in it every detail which would affect the man's pay. It shows the date of his enlistment, etc., promotion, crimes, if any, etc., so a standing of his account can be arrived at instantly.

One of the most important branches of the pay service is looking after dependents' allowances. These allowances as well as the part of the pay a soldier assigns to his wife and family is usually sent out from Ottawa.

There are many problems that arise out of these payments.

Claims are constantly coming in from mothers, wives, common law wives, etc., claiming allowances or complaining of some irregularity in the payments they have been getting.

All of these complaints have to be investigated before further payments can be made.

This has become such an important part of the paymaster's work that special officers are sometimes assigned to it.

Family Problems

In Military District No. 2, for instance, problems of this kind run to over 600 a month. The District Paymaster's office has to some extent become a court of domestic relations and many a domestic squabble has been ironed out there.

In August, 643 interviews with regard to family pay matters were held in the district. Some 2,794 letters were written and 7,316 claims dealt with.

Accounts for army supplies are not paid by the Royal Canadian Army Pay Corps. These go to the treasury department direct. The Pay Corps, however, must check the ration accounts of the various units every month to ensure that they are not overdrawing rations. At the end of the quarter, every unit must adjust any overdrawals.

Although not a combatant unit, the Royal Canadian Army Pay Corps must know something of drill and arms and accordingly every individual must take basic training.

Owing to the need for accuracy and the degree of responsibility required, great stress is put on the accounting ability of the personnel and their personal honesty and integrity.

A large proportion of the personnel is drawn from banks and accounting offices.

Thus the Pay Corps plays an important part in helping to keep the whole army organization working smoothly.

Paying Canada's army is big business, and nowhere in Canada is it a bigger business than at Military District No. 2 headquarters in Toronto. Above photo shows a pay line at that centre.

Top Army Chieftain

Nova Scotian James Layton Ralston came back into Canada's wartime political picture at outbreak of the conflict as Finance Minister. Few months later he was handed the front-rank job of Minister of National Defense. Under his wing the Canadian Army has expanded astronomically and been welded into a formidable fighting force.

Veteran of World War 1, Col. Ralston hoped he could leave his law books for active service again when war broke out.

Hon. J. L. Ralston

Canada, however, had other ideas for him, a greater need for his talents than he could fill in the firing line. His combination of talents has fitted him well for his post at the Army's head.

Seriously wounded in the last war, Col. Ralston is no armchair soldier; he knows war from the practical side. Furthermore, as a top-flight lawyer and experienced politician, he has the tact and diplomacy to get along not only with his fellow Canadians but also with representatives of the other United Nations. That ability is a first essential for the presentation of a solid front to the Axis.

Fifth of World's People in India

One of every five persons in the world is an Indian. India's total population is 388 millions inhabits an area of 1,576,000 square miles. Nearly one fourth of the total population are not British subjects. The 93 million Indians in the Indian States owe allegiance only to their native rulers. The 295 million Indians living in the 11 provinces are British subjects. A total of 89% of the population live an entirely rural life, as compared with 43.8% in the United States.

Hindus make up 68% of the population and Moslems 22%, although in four of the 11 provinces of British India, the Moslems are in the majority. The remaining 10% belong to a wide variety of races and creeds.

There are about 24 different languages, as many as the main languages of Europe, each spoken by a million or more persons in India. The only language common to educated Indians is English.

1,000 MESSAGES A DAY

An average of more than 1,000 telegraphic, cable and wireless messages are handled each working day by the Department of Munitions and Supply.

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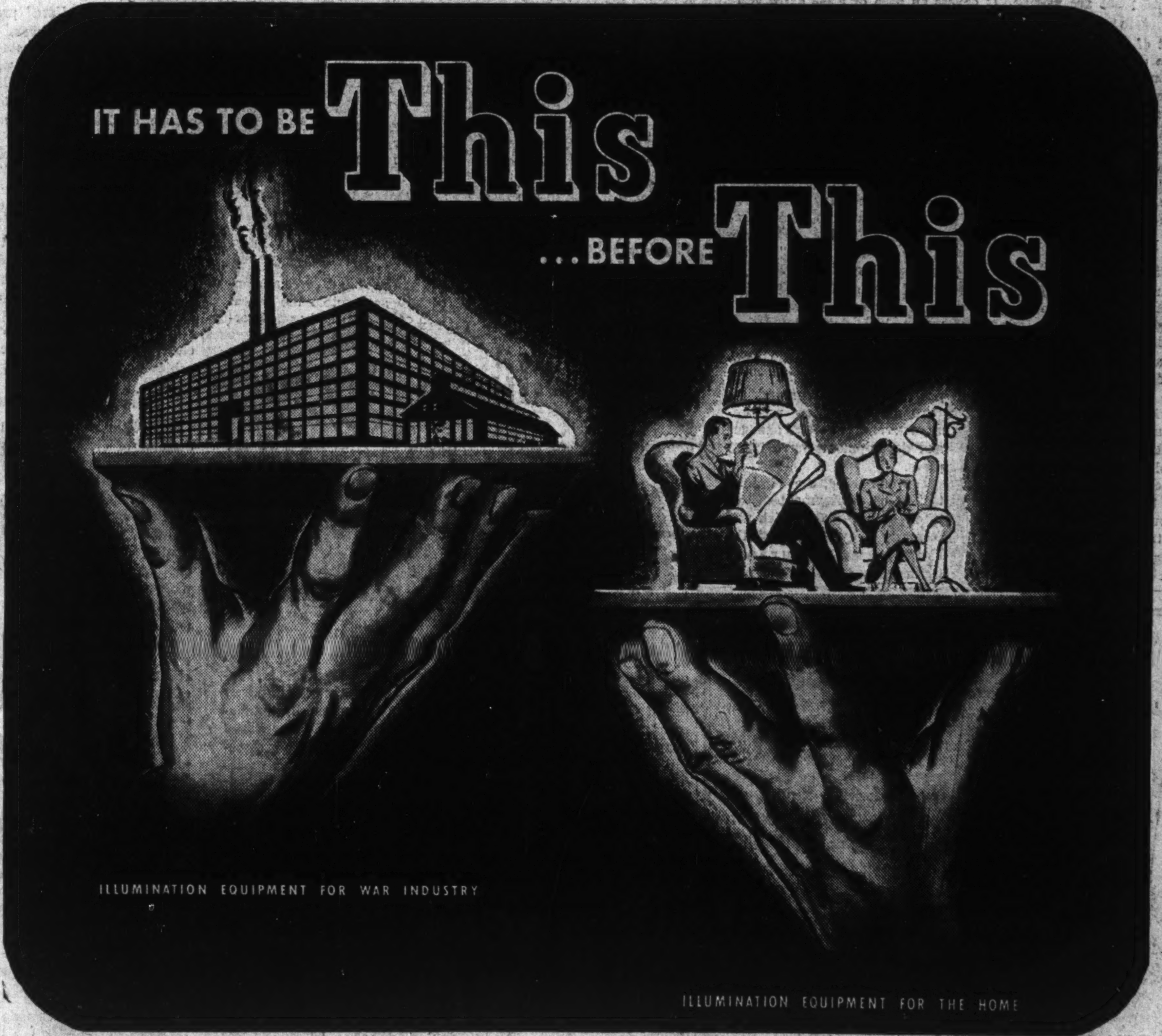

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Shown at the left is F. P. Labey, an electrical engineer of the Illumination Division. Mr. Labey is one of the thousands of us Working for Victory through all-out War Effort—and Saving for Victory through continuous and regular purchases of War Savings Certificates.

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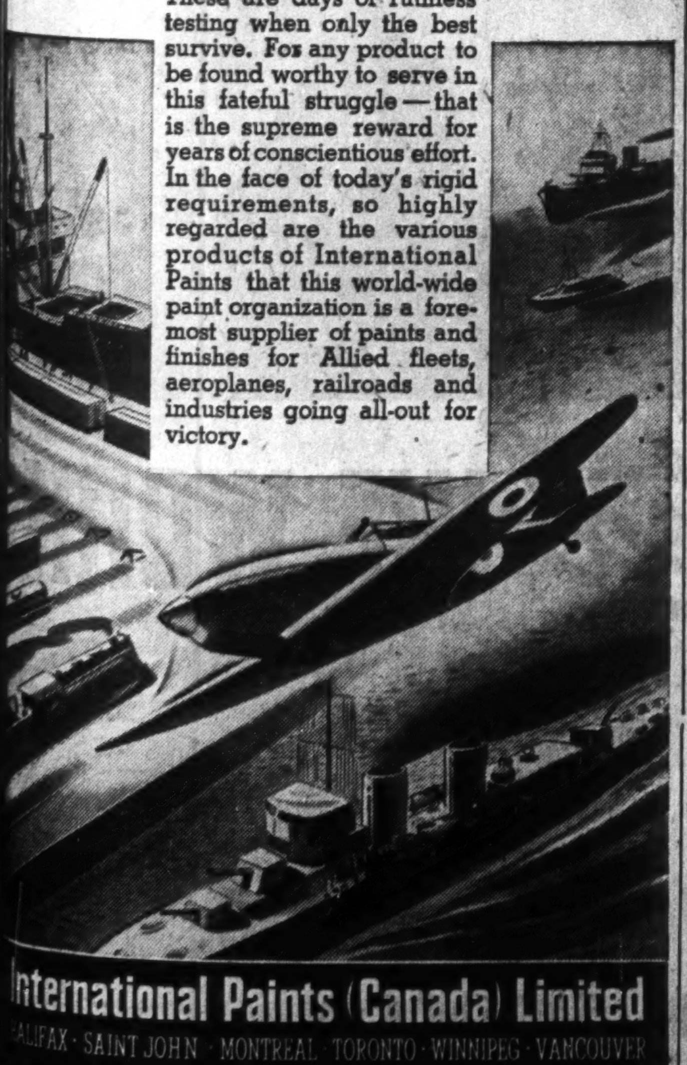

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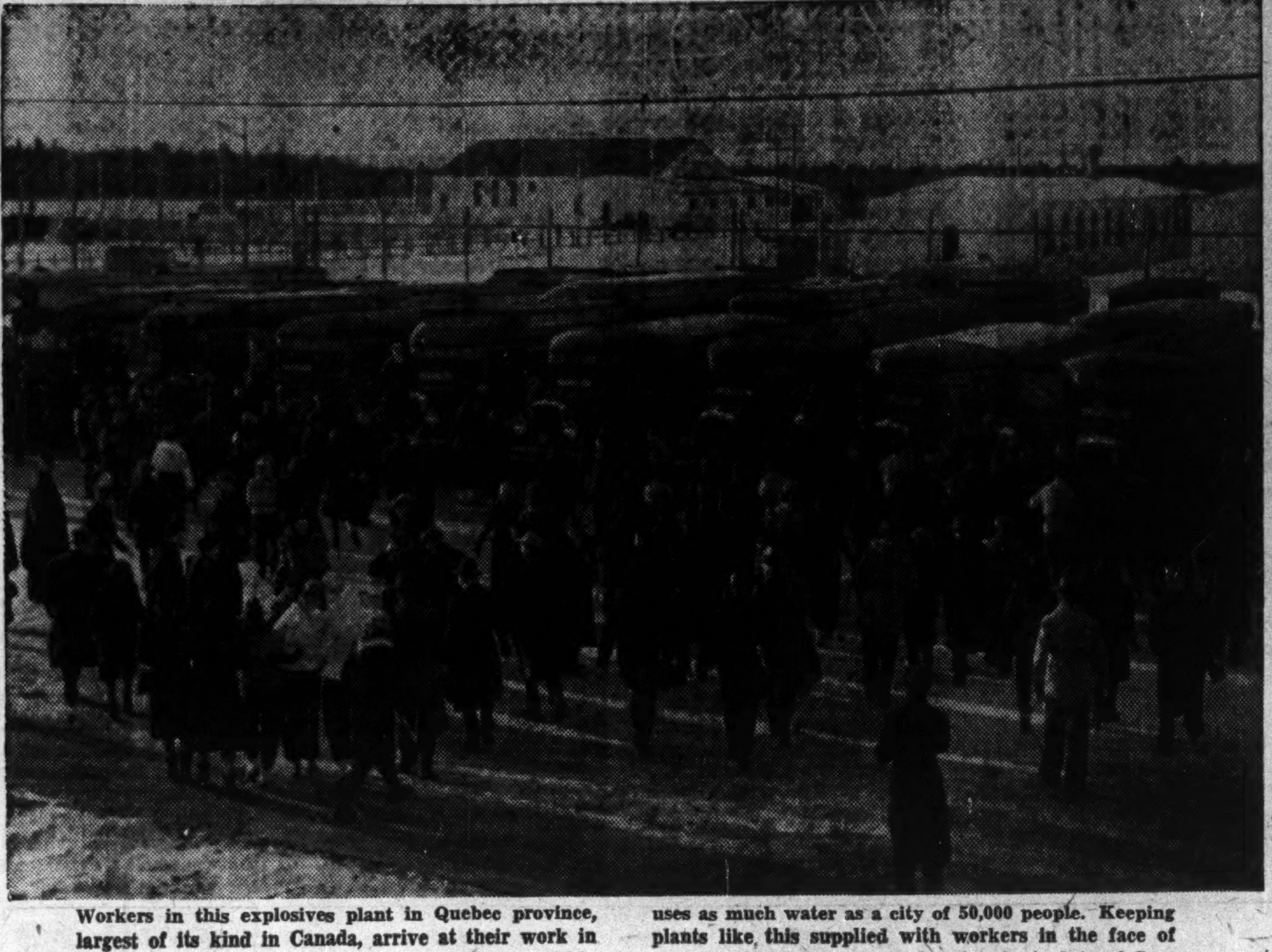
Manpower Front



Workers in this explosives plant in Quebec province, largest of its kind in Canada, arrive at their work in special buses which bring them from their homes within a range of 30 miles. One third of the workers in this plant are women. It covers an area of 5,500 acres and uses as much water as a city of 50,000 people. Keeping plants like this supplied with workers in the face of demands for the armed services is a basic duty of Canada's manpower control.

Streamlined Setup Emerges to Solve Our Most Important Shortage Problem

Out of the muddle and confusion of the past few months is emerging Canada's new streamlined manpower organization.

When Elliott M. Little was appointed director of National Selective Service in March of this year, Prime Minister King made it quite clear that his job was definitely limited in scope. Said Mr. King at that time:

> "It would not be possible even if it were desirable, to centralize in one department of government all the administrative responsibility for allocating manpower and for directing men and women into the most useful form of service."

Thus the armed forces remained free to recruit men on a voluntary basis and independently of Mr. Little. As well, the calling up of men for compulsory military service and training, continued as the responsibility of the Department of National War Services.

By midsummer, the big and unexpected drafting of men into the army under the National Resources Mobilization Act brought this situation to a head. What was happening was that upwards of a thousand men a day were being withdrawn from the manpower pool by machinery over which Mr. Little had no administrative control.

The Cabinet "crisis" which followed is now largely a matter of history. Out of it has come a decision to reverse the policy laid down by Prime Minister King last March and to vest in Elliott Little complete responsibility for manpower supply and demand.

To meet this new requirement several important changes and developments have taken place.

For one thing, the administration of employment offices throughout Canada which was formerly the function of the Unemployment Insurance Commission has been now vested in the Department of Labor and turned over to National Selective Service for the duration. This is vitally important because in the view of N.S.S. officials, the handling of a manpower problem begins and ends with the local employment office. It is these offices which furnish the facts and problems which give rise to policy. From these offices the policy is put into effect.

When N.S.S. was first organized last March, there were approximately 100 of these offices throughout Canada. Many of them were poorly or inadequately staffed. Temporarily, when Mr. Little became director of N.S.S. last March, the managers of each office were named local representatives of the National Selective Service organization. Today, the number of offices has been extended past the 200 mark and a complete reorganization of staff, duties, etc., undertaken.

It is this organization of local N.S.S. offices which now becomes a major, integral part of the new manpower mobilization machinery.

The N. S. S. machinery will shortly be divided (under Mr. Little) into three distinct parts, each under an associate director.

The head office organization under Paul Goulet (originally teamed with Elliott Little as associate director of N. S. S.) will include such divisions of N. S. S. as statistics and allocation; women and welfare in charge of Mrs. Rex Eaton; industrial labor and management problems; agricultural labor, etc.

A civilian servies division will have the major responsibility of directing the local N. S. S. offices and may, in addition, take over from the Department of Labor, direction of the Wartime Bureau of Technical Personnel and the War Emergency Training Programme.

There will also be an armed services division to handle the draft machinery as soon as it is transferred from its present locale in the Department of National War Services.

Separate Machinery

The aim is to divorce as completely as possible the operation of civilian and armed service machinery so far as detailed administration is concerned. Matters of high policy will be determined by the National Selective Service Board of which Elliott Little is director and which includes representatives from all departments of government concerned with problems of manpower. But in administration, the job of industrial transfers and civilian manpower requirements, is to be kept completely separate from the machinery required to call up additional men for the armed services.

Calling up of men for the armed services was formerly under the jurisdiction of Hon. J. Thorson, minister of National War Services. Originally this machinery functioned through local registrars and through 13 regional boards which correspond to the various military districts into which Canada is traditionally divided. Except in the matter of appeals this machinery is now being transferred to N.S.S.

The new proposed mechanism includes 58 regional draft boards each to be manned by three members and assisted by technical and expert advisors. It will be this machinery that will be responsible for maintaining the manpower needs of the armed services. The question of appeals from decisions of these draft boards will remain with the department of National War Services and the appeals will be handled by the same 13 regional boards which originally operated under the old regime.

Unofficially, it is expected between 200,000 and 300,000 men will be required for the armed services in 1943. At the same time requirements for war production are expected to increase steadily even though the tempo at midsummer, 1942 (about 30,000 new men and women per month) may not be maintained.

Closing The Gap

After allowance for deaths and retirements, the natural increase in labor supply through boys and girls coming of age is probably only 12,000 to 14,000 a month. Assuming a small flow of men from farms, mines and utilities, the remaining "gap" amounts to probably 30,000 a month and must be closed in one of three ways:

1. By cutting labor in "wastage."
2. By curtailing manufacture and flow of civilian goods.
3. By a nationwide drive to secure womanpower.

The belief is that the number of women in war industry and the armed services (now somewhere between 200,000 and 220,000 can be more than doubled. This programme is in charge of Mrs. Rex Eaton of Vancouver, who is also in charge of all "welfare" problems affecting manpower.

Problem of labor "wastage" has been the personal responsibility and concern of Elliott Little from the moment he took charge of National Selective Service.

In this field he has a strong ally in Harry Carmichael recently named Co-ordinator of Production for Department of Munitions and Supply. Mr. Carmichael's first job in that new responsibility is to undertake a country-wide attack on conservation of materials and manpower in existing non-essential uses. He will work very closely with Elliott Little in achieving this end.

W. P. T. B. Links In

Mr. Little and his associate director of civilian manpower will work equally closely with Robert Chisholm, newly-appointed head of the Industrial Division of the Wartime Prices and Trade Board. It will be Mr. Little's responsibility to find out what men are needed, where they are needed and just what skills they must have. It will be Mr. Chisholm's job to find the least painful and disruptive ways of curtailing non-essential civilian production in order to release this manpower for the armed services of war industry.

This, briefly, is the shape of "manpower things to come" as they emerge here in Ottawa in late September.

Little Takes Hold

Basic in the entire set-up is the fact that Elliott Little since his appointment as Director of National Selective Service has steadily gained in prestige and has "sold himself" to associates and co-workers both in his own department and in the other departments of Government having to do with manpower in its various phases.

Thus, behind the "mechanics" of the new organizations lies the fact that there is a new confidence and eagerness to co-ordinate; a mutual trust and understanding which has been heretofore lacking in this vitally important field.

Labour Leader

In the ample lap of genial Humphrey Mitchell lies the task of beating Canada's manpower shortage. As Minister of Labor he is dealing with people he has known from his youth up for his interest in the welfare of the Canadian worker goes back to 1912 when he first arrived in the Dominion from England.

He went through the first World War with the Royal Navy, returned to Canada and started to climb in labor circles. By 1931 he had established his reputation sufficiently to be elected member for Hamilton East. He moved out of politics as a civil servant trouble shooter with the Department of Labor. When war needs focussed the spotlight on Canada's increasingly tight manpower situation, the nation's leaders cast around for a man who could talk to both capital and labor, one whom they both could trust. Humphrey Mitchell was the answer to that need and so, to further serve his country, he moved out of his safe civil servant's berth back into the stormy realm of politics. Mitchell doesn't like headlines but he is making them regardless, for his business affects the way of life of virtually every worker in Canada.

Hon. Humphrey Mitchell

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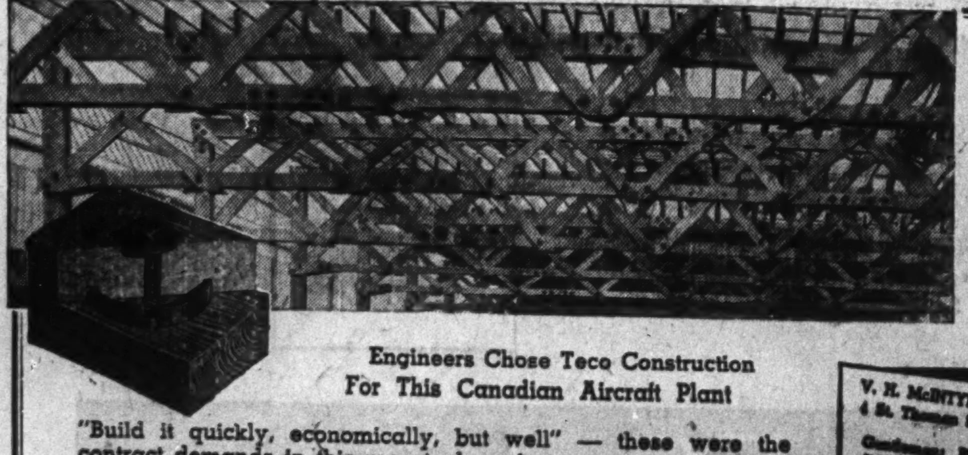

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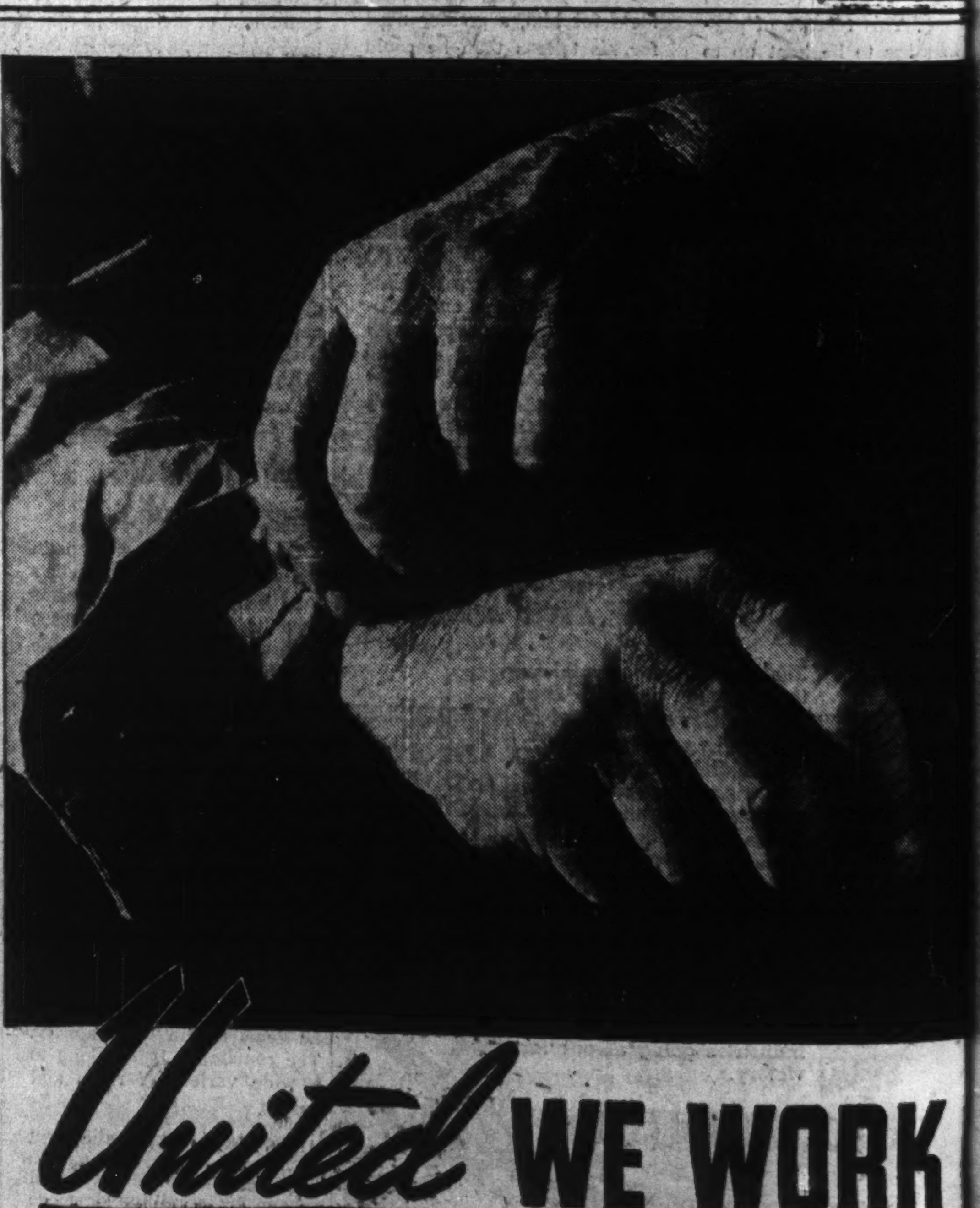

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Price Control Wins First Victories

It is of more than passing significance that Donald Gordon, Canada's price czar, announced a few days ago the switching of jobs for Robert L. Chisholm.

Since the early days of Canada's price ceiling, Mr. Chisholm has been Wholesale Administrator for the W.P.T.B. He has now left that job to head a new industrial division of the Board charged with responsibility for co-ordinating the curtailment of non-essential civilian activities.

When Canada's price ceiling was first announced in October, 1941, all the forces of authority and control, of propaganda and persuasion were brought into play to halt the rising tide of consumer prices and "freeze" the cost of living at or about the then-existing level. Through weeks and months this battle raged furiously. Not only was there public co-operation and understanding to be gained; there was the task of getting business acceptance of a new and revoluntionary idea of anti-inflation warfare.

The success of that fight—a fight which was not without some puncturing of the ceiling or without considerable cost by way of subsidy to those who were victims of the "squeeze"—is now very largely a matter of history. Most flattering to Canadians and especially to the men who devised and maintained the price ceiling has been the way in which the United States is gradually coming to the view that some type of control similar to that imposed by Canada, is inevitable.

That does not mean that the battle is over. Certainly the first days of hectic assault have been crowned with a large measure of victory. Gains have been consolidated and positions once weakly held have in many cases become strongly entrenched. The most vulnerable areas of attack are probably the threat from agricultural interests, which proved very real in respect of higher prices for both beef and wheat; fear that public opinion may react against the payment of increasing subsidies to maintain the ceiling; and the threat of substantial or widespread wage increases. These threats are all, in considerable measure, dependent on what subsequent action is taken in the United States to stabilize prices in that country.

Both price and supply of the meat which this housewife is buying are controlled by Canada's Wartime Prices and Trade Board. Job of this body is to keep our economy under control and to resist and direct the tremendous strains which an all-out war effort is generating. In this particular example, the situation has been unsatisfactory for some months with supplies proving inadequate to meet the combined domestic and export demands.

Having flattened the incipient price spiral by revolutionary tactics, the Board next turned its attention to the problems of "shortages."

Problems of short supply were, in some respect, no new thing. From the outbreak of war, the original Wartime Prices and Trade Board had been faced with acute supply problems caused largely by dislocation of shipping. Sugar and wool, for example, were two commodities in which short supply threatened from the outbreak of war. New lines and sources of supply had to be set up and controls established to conserve and distribute available goods.

Until 1942, this control was administered largely "at source." Apart from certain admonishments which sought public co-operation, there was no situation serious enough to warrant consumer rationing either on a voluntary or compulsory basis.

By early 1942, the situation began to change. First came voluntary rationing of sugar, then tea and coffee. By midsummer the Board was convinced that the wise and forehanded policy would be to set up, well in advance of anticipated need, a formal programme of coupon rationing for consumers. S. Boyd Millen, of Montreal, was called in to suggest a mechanism for so doing. By the last week in June he was ready to distribute 11 million temporary ration cards used first for sugar and later for tea or coffee. These have now been replaced by permanent ration books with a number of extra "emergency" coupons for commodities not yet named.

Manpower Crisis

By midsummer the manpower "crisis" had reared its head. What is important in terms of price control is that in his country-wide broadcast of Aug. 18, Prime Minister King announced that responsibility for curtailment of non-essential civilian production, necessary to release manpower for war industry and the armed services, should be the responsibility of W.P.T.B. Said Mr. King:

"The Government has decided that non-essential civilian activities should be curtailed or eliminated. The Wartime Prices and Trade Board which exercises control over civilian trade and industry has been directed to put this policy into effect by such measures as appear necessary for the purpose. Additional manpower for war service will thus be made available as rapidly as possible.

"Besides restricting and eventually eliminating non-essential activity, measures will be taken to ensure that minimum essential needs are satisfied by the use of the least possible amount of manpower, materials, machinery, fuel, power and transportation.

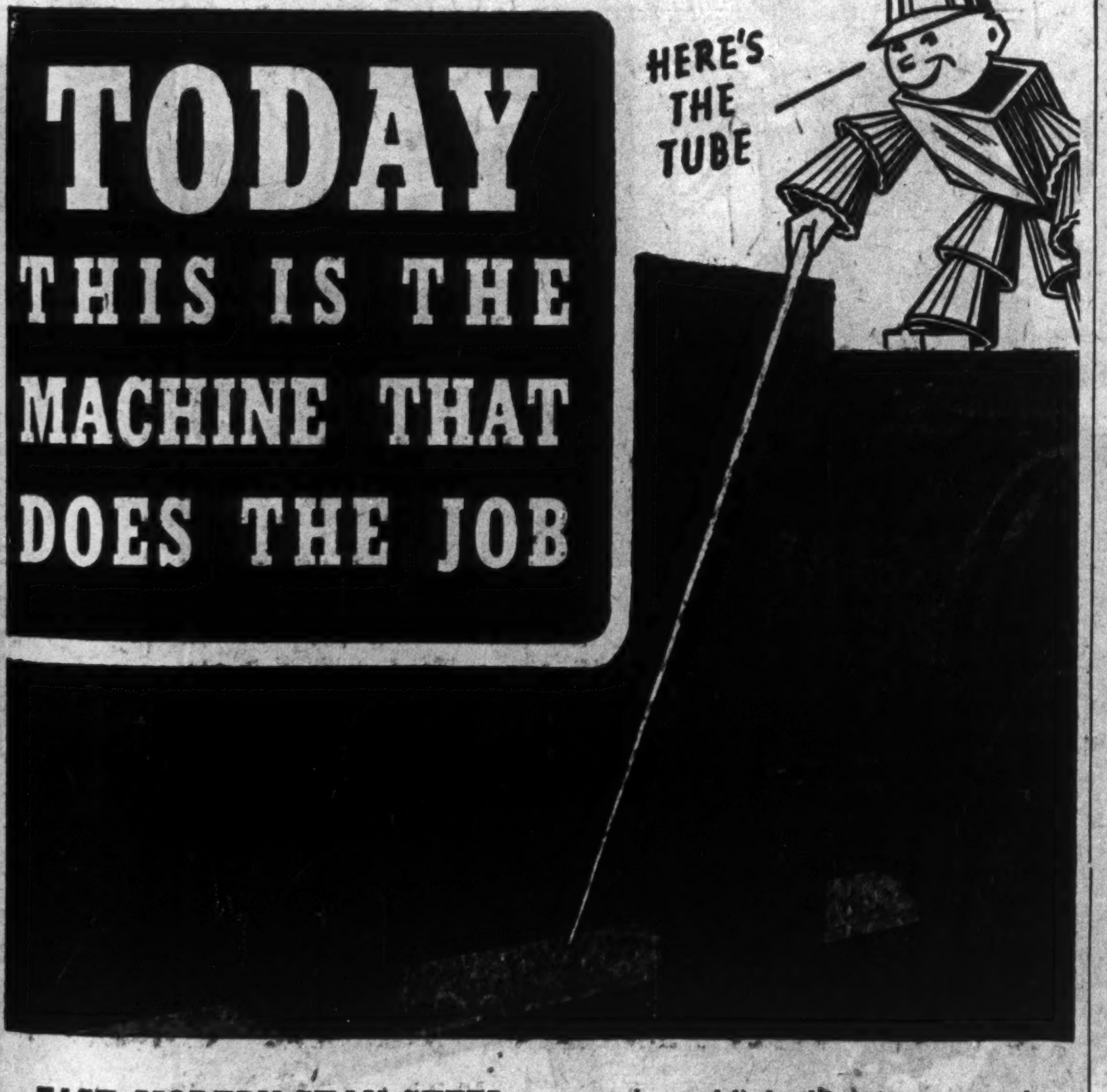
"In restricting civilian activity, the Wartime Prices and Trade Board will act in closest collaboration with the Director of National Selective Service, whose duty it will be to direct into the most useful channels the manpower released from non-essential civilian activities."

Third Field

Thus, Canada's price control machinery now enters a third and vitally important field of responsibility. In addition to holding the price ceiling, maintaining the supply and equitable distribution of goods, it is now charged with the duty of finding the most efficient and least harmful ways of cutting down civilian production and distribution.

Dovetailing very closely into this new job is the work formerly carried on through the Division of Simplified Practice. Set up six months ago under Hugh MacKenzie, general manager of John Labatt & Co., of London, this division has been one of the Board's chief instruments in helping business to absorb the "squeeze" through encouraging the use and extension of cost-saving methods and machinery in individual lines of business.

What is expected to happen is that when director of National Selective Service, Elliott M. Little, requires manpower for armed services or war industry he will indicate his needs to Robert Chisholm. Mr. Chisholm will then be charged with responsibility for finding the best ways and means of releasing this required manpower from civilian industry. In addition, the W.P.T.B. will act on its own initiative in meeting needs which may arise to force curtailment of non-essential industry.



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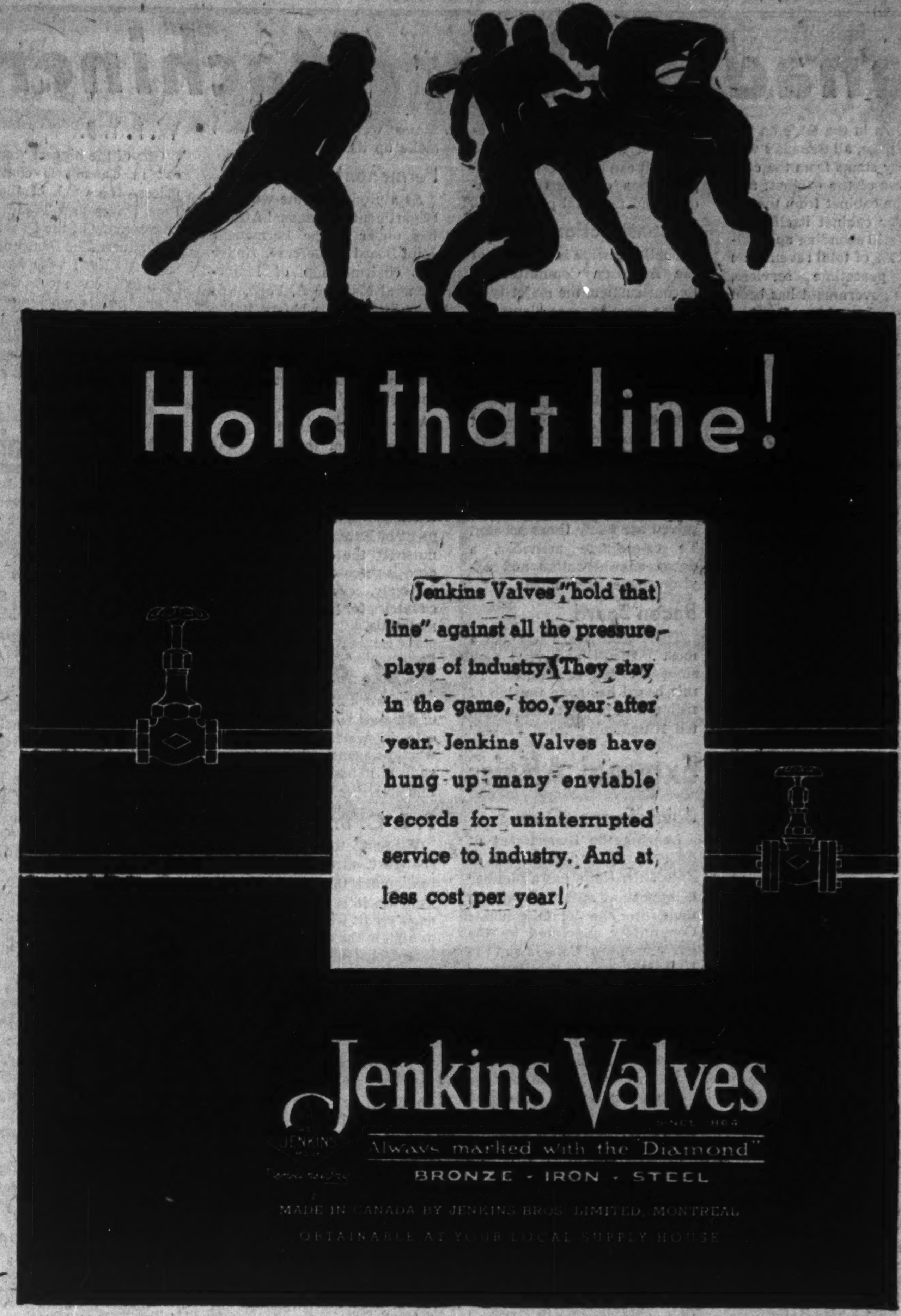

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Canada's War Machinery

Canada's Machinery of Government Shows Tremendous Growth. Here are the Key Agencies Playing Vital Roles in War

As shown in the table on the opposite page, all Canada's war machinery stems from the central power of the cabinet; and within the cabinet from the internal war cabinet itself.

While still spending approximately 25% of total revenue on normal peacetime services, Canada's government has been largely reoriented to reflect the place war has assumed in our economy.

Cabinet Committees

War Committee

Within the cabinet itself, are various committees. The War Committee has the responsibility of dealing with the general questions of policy relating to the war. To it belongs the responsibility for coordinating the entire Canadian war effort.

Demobilization

Also within the cabinet are a number of committees dealing with more specific phases of policy, most of which concern more than one department of government. These include the Committee on Demobilization and Re-establishment whose duty it is to procure information on the problems that will arise from demobilization of members of the armed forces.

Internal Security

The Committee on Internal Security takes in five cabinet members and has to consider matters relating to maintenance of public safety and order in wartime. It also has to take into account the relations with the provinces on such internal problems.

Economic Policy

The cabinet is supplemented by Cabinet Advisory Committees whose members consist largely, but not entirely of deputy ministers, under secretaries, and other leading civil servants. Among the more important of these, particularly in wartime, is the Advisory Committee on Economic Policy. Its field is wide, and upon its own motion or upon the request of any minister of the crown it can investigate and report upon questions of economic and financial policy.

Reconstruction

Similarly wide is the field of the Advisory Committee on Reconstruction, the majority of whose members are "laymen."

Dept. Agriculture

Supplies Board

Under the Department of Agriculture comes the Agricultural Supplies Board. This Board does important work in peacetime but during wartime the problems to be met and solved are many times greater. To co-ordinate activities, a dozen administrators and advisors have been added.

Bacon Board

The Bacon Board has had a most difficult and vital task since the fall of France. To this board has gone the job of filling a large part of the United Kingdom's "bread basket"

External Affairs

Joint Econ. Com.

Leaving the Department of Agriculture, the Department of External Affairs has a number of important agencies working under it. The Joint Economic Committees appointed by the governments of Canada and the United States are continuously at work to effect a more economic, more efficient and better co-ordinated utilization of combined resources of the two countries in the production of war equipment. While they are primarily interested in helping win the war just now, they are also concerned with reducing probable postwar economic dislocation.

Material Co-ordinating

Closely working with the Joint Economic Committees is the Material Co-ordinating Committee, United States and Canada. High officials of both the Canadian and United States war production effort make up its membership.

Permanent Defense

As a product of the war, the Department of External Affairs has under it the Permanent Joint Board on Defense. Under the chairmanship of Major-General Maurice A. Pope, this committee keeps before it the defense of the north half of the western hemisphere. Through it, Canadian and United States war machines can act in close concert.

War Production

Activities of the Joint War Production Committee of Canada and the United States are linked closely with those of other bodies under the Department of External Affairs. In a nutshell, the committee's purpose is to co-ordinate most effectively, capacities of both countries for production of war materials.

Dept. of Finance

The work of the Department of Finance is much more intricate in wartime but several wartime agencies have been organized to assist it in its manifold activities.

F. E. C. B.

Without the Foreign Exchange Control Board, organized under the Department of Finance, it is doubtful if Canada's credit would stand nearly as high in the world today. This Board controls all dealings in foreign exchange and indirectly exercises power over foreign travel and activities of domestic industries capable of supplying United States dollars. The Bank of Canada has lent its assistance in securing an effective "follow-through" of policies laid down by the Board.

War Finance

Charged with finding the money for Canada's War Effort not provided by taxes or compulsory savings, the War Finance Committee has already been responsible for raising many hundreds of millions of dollars.

W. P. T. B.

One of the biggest "businesses" in Canada is controlling prices—the work of the Wartime Prices and Trade Board, an auxiliary of the Department of Finance. The Board not only concerns itself with keeping a "ceiling" on most Canadian prices but is working toward simplification and securing of lower costs throughout industry generally. Services and rentals are regulated as well as products.

Dept. of Labor

The Department of Labor is another organ of government which has undergone major expansion.

Selective Service

National Selective Service, under Director Elliott M. Little, has now the monumental task of channelling Canada's manpower and womanpower into the jobs where they will best further our war effort.

Assisting the National Selective Service Executive is the National Selective Service Advisory Board. This is composed of members of the National War Labor Board and the Interdepartmental Committee on Labor Co-ordination.

Co-ordination

The Interdepartmental Committee on Labor Co-ordination, sitting on the National Selective Service Advisory Committee, has as its chairman the deputy minister of labor. Other members represent the various departments of government, War Services, Agriculture, Pensions and National Health, etc., as well as the major war departments of Munitions and Supply and the Department of National Defense. The Department of National Defense has extra representatives for Army, Navy and Air Force.

Consultative Com.

Indirectly, there is a further contact with employers and employees in formulating policies. This comes through the Minister of Labor's Consultative Committee.

The main functions of the Unemployment Insurance Commission have now been transferred to the Department of Labor for duration.

Dept. of M. & S.

Crown Companies

Canada's largest spending organization, The Department of Munitions and Supply has under it more than a score of Dominion Government-owned companies which play a great part in channelling dollars through to production.

These companies are all carrying on vital wartime work. Some are stockpiling organizations, others such as Research Enterprises Ltd., are interested in improving war production. Housing and war equipment production are concerns of still others.

'Design' Committee

This country has been concerned with the problem of securing the best in war equipment. The Inter-departmental Advisory Committee on Army Engineering Design brings together the heads of our army services, research and production experts.

Industries Control

One of our chief co-ordinating bodies is the Wartime Industries Control Board of the Munitions and Supply Department. This board brings together Canada's various controllers to co-ordinate, conserve, restrict and regulate certain essential materials and commodities.

Dept. National Defense

Defense Council

The Defense Council of the Department of National Defense brings together heads of our armed services to advise the Minister of National Defense on matters of strategy and the relating of naval, military and air services. There are also separate Naval, Army and Air Councils which report to the Minister of National Defense.

Dept. of National Revenue

E. P. T. Referees

A busy subdivision of the Department of National Revenue is the Board of Referees under the Excess Profits Tax. Hundreds of cases have been brought before it for ruling.

Dept. Nat. War Service

"Public Information"

Under the Department of National War Services comes "Public Information." As reviewed elsewhere, the Director of Public Information supplies news and feature stories, photographs, etc., telling Canada's part in the war. War Charities, National Film Board and Salvage are other important responsibilities in the National War Services field.

Advisory Board

The National War Services Funds Advisory Board, formed in 1940, acts in an advisory capacity to the Division of Voluntary Services and the Department of National War Services in connection with the administration of the War Charities Act.

Dept. Pensions & Nat. Health

Pensions Commission

A "Canadian Pension Commission" is set up under the Department of Pensions and National Health to look after pension claims due to disability or death arising from both the First and Second Great Wars. The commission also looks after interests of merchant seamen, civil servant employees, etc., who have suffered disability outside Canada as a result of enemy action.

Civil Air Raid Precautions come under the Department of Pensions and National Health.

Dept. Trade & Commerce

Research Council

The National Research Council—with laboratories in Ottawa—controls and directs all matters affecting scientific and industrial research in Canada which may be assigned by the Committee of Privy Council on Scientific and Industrial Research. Many leading scientists are to be found on the Council directorate. Ideas evolved are submitted to the Inventions Board, also under the Department of Trade and Commerce.

Shipping Priorities

The Department of Trade and Commerce has an important voice when it comes to what products are shipped and how much. It has its own Shipping Priorities Committee, an Advisory Committee on Export Control and an Executive Sub-Committee to the Advisory Committee on Export Control.

Dept. Sec'y of State

"Custodian"

The Secretary of State's Department has a special war side to its activities. A custodian of enemy property has been appointed with two assistants. Besides this, the Department has charge of internment operations.

Transport

Transport Controller

The Department of Transport links in with the Department of Trade and Commerce in taking care of essential wartime transport requirements. There are special advisory boards for requisitioning ships and a special transport controller looks after internal transport requirements too. The Canadian Shipping Board, organized shortly after outbreak of war, has been granted wide powers over Canada's wartime trading with other countries by water.

'Corporations'

The war companies of the Department of Munitions and Supply aren't the only "public corporations" owned by the Dominion Government. There are besides the Bank of Canada, an important adjunct of Canada's war finance programme, and the Canadian Broadcasting Corporation, a leading factor in bringing the story of Canada's war effort to the general public. The Canadian Farm Loan Board is constituted as a public corporation while the giant transport organization, Canadian National Railways, is another government company.

WAR Comes to a Classroom

Far removed from the shock of battle, a boy in Windsor studies his lessons. His growing skill means growing strength for Canada and the Empire.

In a quiet, glass-enclosed room in the midst of a roaring factory, he attends Ford of Canada's trade school—learning to shape metals according to blueprint specifications. He studies the art of tool and die making or develops skill in machine operation.

War has come to this important classroom—and slanted the lessons to the grim necessities of today. These students are the craftsmen of tomorrow. They will help to build new power and speed and ruggedness in Canada's future fighting machines.

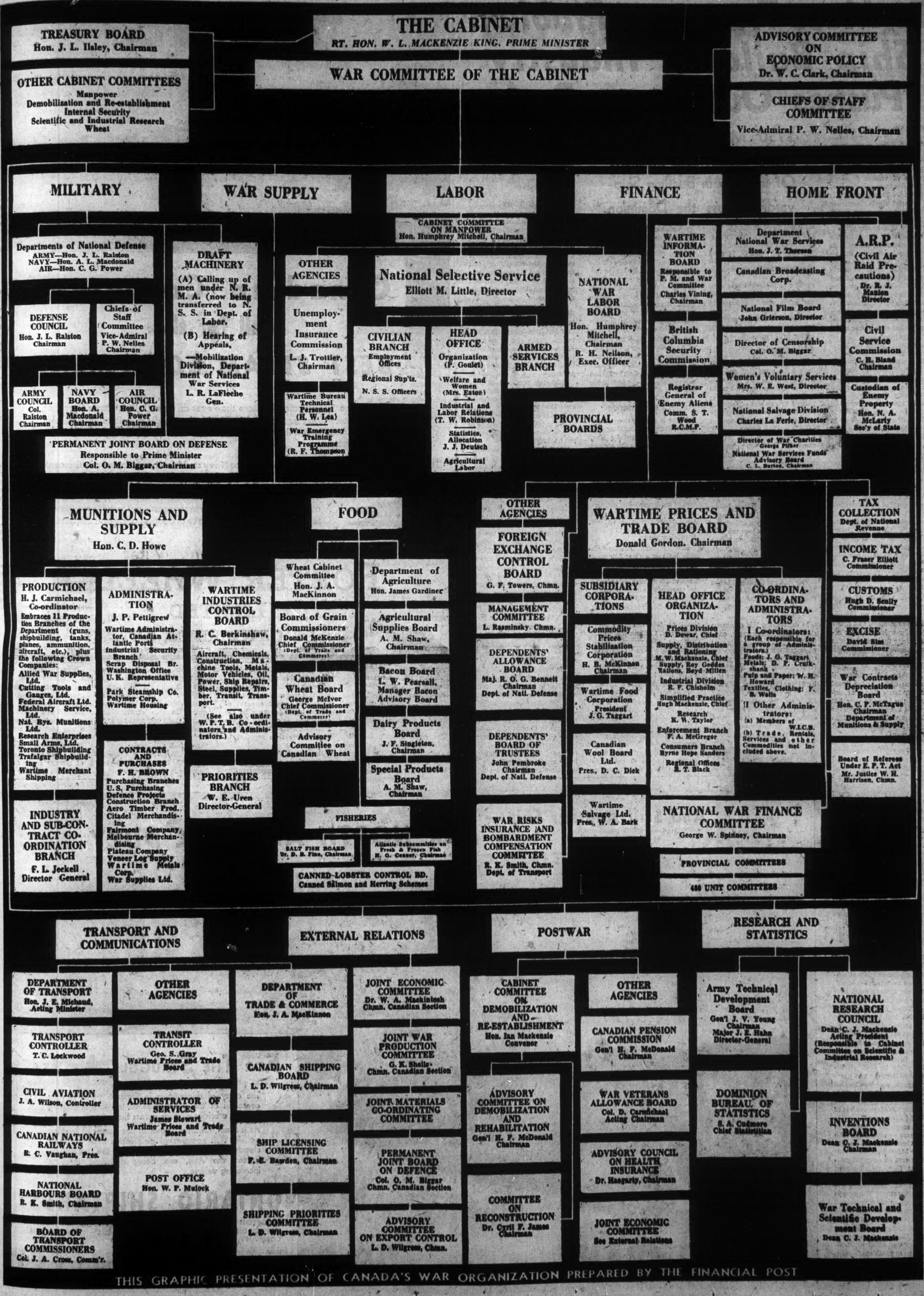
Meanwhile, in battle manoeuvres, another young Canadian directs the attack. Fresh from intensive training and eager for battle, he has complete confidence in the modern vehicles which carry his men into the fight.

The skill that is born in the Ford of Canada trade school, and the skill that directs the battle—both are part of the same irresistible drive towards victory. The trained craftsman and the trained soldier are vital to victory. Canada will be proud of both.

"The test of a nation, as of a man, is its conduct in the face of danger. Today we must use our brains as well as our brawn, our foresight as well as our natural resources . . . so that we shall grow stronger even while the battle rages".

A statement by Ford of Canada's President, Wallace R. Campbell.

FORD MOTOR COMPANY Makers of FORD V-8, MERCURY FORD TRUCKS OF CANADA, LIMITED



THE CABINET
RT. HON. W. L. MACKENZIE KING, PRIME MINISTER

TREASURY BOARD
Hon. J. L. Ilsley, Chairman

OTHER CABINET COMMITTEES
Manpower
Demobilization and Re-establishment
Internal Security
Scientific and Industrial Research
Wheat

ADVISORY COMMITTEE ON ECONOMIC POLICY
Dr. W. C. Clark, Chairman

CHIEFS OF STAFF COMMITTEE
Vice-Admiral P. W. Nelles, Chairman

WAR COMMITTEE OF THE CABINET

MILITARY

Departments of National Defense
ARMY—Hon. J. L. Ralston
NAVY—Hon. A. L. Macdonald
AIR—Hon. C. G. Power

DEFENSE COUNCIL
Hon. J. L. Ralston
Chairman

Chiefs of Staff Committee
Vice-Admiral
P. W. Nelles
Chairman

ARMY COUNCIL
Col. Ralston
Chairman

NAVY BOARD
Hon. A. Macdonald
Chairman

AIR COUNCIL
Hon. C. G. Power
Chairman

DRAFT MACHINERY
(A) Calling up of men under N. R. M. A. (now being transferred to N. S. S. in Dept. of Labor.
(B) Hearing of Appeals,
—Mobilization Division, Department of National War Services
L. R. LaFleche
Gen.

PERMANENT JOINT BOARD ON DEFENSE
Responsible to Prime Minister
Col. O. M. Biggar, Chairman

WAR SUPPLY

MUNITIONS AND SUPPLY
Hon. C. D. Howe

PRODUCTION
H. J. Carmichael,
Co-ordinator
Embraces 11 Production Branches of the Department (guns, shipbuilding, tanks, planes, ammunition, aircraft, etc.), plus the following Crown Companies:
Allied War Supplies, Ltd.
Cutting Tools and Gauges, Ltd.
Federal Aircraft Ltd.
Machinery Service, Ltd.
Nat. Rys. Munitions Ltd.
Research Enterprises
Small Arms, Ltd.
Toronto Shipbuilding
Trafalgar Shipbuilding
Wartime Merchant Shipping

INDUSTRY AND SUB-CONTRACT CO-ORDINATION BRANCH
F. L. Jeckell
Director General

ADMINISTRATION
J. P. Pettigrew
Wartime Administrator, Canadian Atlantic Ports
Industrial Security Branch
Scrap Disposal Br.
Washington Office
U. K. Representative
Park Steamship Co.
Polymer Corp.
Wartime Housing

CONTRACTS AND PURCHASES
F. H. BROWN
Purchasing Branches
U. S. Purchasing
Defence Projects
Construction Branch
Aero Timber Prod.
Citadel Merchandising
Fairmont Company
Melbourne Merchandising
Plateau Company
Veneer Log Supply
Wartime Metals Corp.
War Supplies Ltd.

WARTIME INDUSTRIES CONTROL BOARD
R. C. Berkinshaw,
Chairman
Aircraft, Chemicals, Construction, Machine Tools, Metals, Motor Vehicles, Oil, Power, Ship Repairs, Steel, Supplies, Timber, Transit, Transport.
(See also under W. P. T. B. Co-ordinators and Administrators.)

PRIORITIES BRANCH
W. E. Uren
Director-General

FOOD

Wheat Cabinet Committee
Hon. J. A. MacKinnon

Board of Grain Commissioners
Donald McKenzie
Chief Commissioner
(Dept. of Trade and Commerce)

Canadian Wheat Board
George McIvor
Chief Commissioner
(Dept. of Trade and Commerce)

Advisory Committee on Canadian Wheat

Department of Agriculture
Hon. James Gardiner

Agricultural Supplies Board
A. M. Shaw,
Chairman

Bacon Board
L. W. Pearsall,
Manager Bacon Advisory Board

Dairy Products Board
J. F. Singleton,
Chairman

Special Products Board
A. M. Shaw,
Chairman

FISHERIES

SALT FISH BOARD
Dr. D. B. Finn, Chairman

Atlantic Subcommittee on Fresh & Frozen Fish
H. G. Conner, Chairman

CANNED LOBSTER CONTROL BD.
Canned Salmon and Herring Schemes

LABOR

CABINET COMMITTEE ON MANPOWER
Hon. Humphrey Mitchell, Chairman

OTHER AGENCIES

Unemployment Insurance Commission
L. J. Trottier,
Chairman

Wartime Bureau Technical Personnel
(H. W. Lea)

War Emergency Training Programme
(R. F. Thompson)

National Selective Service
Elliott M. Little, Director

CIVILIAN BRANCH
Employment Offices
Regional Sup'ts.
N. S. S. Officers

HEAD OFFICE
Organization
(P. Goulet)
Welfare and Women
(Mrs. Eaton)
Industrial and Labor Relations
(T. W. Robinson)
Statistics, Allocation
J. J. Deutsch
Agricultural Labor

ARMED SERVICES BRANCH

NATIONAL WAR LABOR BOARD
Hon. Humphrey Mitchell,
Chairman
R. H. Neilson,
Exec. Officer

PROVINCIAL BOARDS

FINANCE

OTHER AGENCIES

FOREIGN EXCHANGE CONTROL BOARD
G. F. Towers, Chmn.

MANAGEMENT COMMITTEE
L. Rasminsky. Chmn.

DEPENDENTS' ALLOWANCE BOARD
Maj. R. O. G. Bennett
Chairman
Dept. of Natl. Defense

DEPENDENTS' BOARD OF TRUSTEES
John Pembroke
Chairman
Dept. of Natl. Defense

WAR RISKS INSURANCE AND BOMBARDMENT COMPENSATION COMMITTEE
R. K. Smith, Chmn.
Dept. of Transport

WARTIME PRICES AND TRADE BOARD
Donald Gordon. Chairman

SUBSIDIARY CORPORATIONS

Commodity Prices Stabilization Corporation
H. B. McKinnon
Chairman

Wartime Food Corporation
President
J. G. Taggart

Canadian Wool Board Ltd.
Pres., D. C. Dick

Wartime Salvage Ltd.
Pres., W. A. Bark

HEAD OFFICE ORGANIZATION
Prices Division
D. Dewar, Chief
Supply, Distribution and Rationing
M. W. Mackenzie, Chief
Supply, Roy Geddes
Rations, Boyd Millen
Industrial Division
R. F. Chisholm
Simplified Practice
Hugh Mackenzie, Chief
Research
K. W. Taylor
Enforcement Branch
F. A. McGregor
Consumers Branch
Byrne Hope Sanders
Regional Offices
R. T. Black

CO-ORDINATORS AND ADMINISTRATORS
I Co-ordinators:
(Each responsible for a group of Administrators.)
Foods: J. G. Taggart
Metals: D. F. Cruikshank
Pulp and Paper: W. H. Howard
Textiles, Clothing: F. B. Walls
II Other Administrators:
(a) Members of W.I.C.B.
(b) Trade, Rentals, Services and other Commodities not included above.

NATIONAL WAR FINANCE COMMITTEE
George W. Spinney, Chairman

PROVINCIAL COMMITTEES

480 UNIT COMMITTEES

TAX COLLECTION
Dept. of National Revenue

INCOME TAX
C. Fraser Elliott
Commissioner

CUSTOMS
Hugh D. Scully
Commissioner

EXCISE
David Sim
Commissioner

War Contracts Depreciation Board
Hon. C. P. McTague
Chairman
Department of Munitions & Supply

Board of Referees Under E. P. T. Act
Mr. Justice W. H. Harrison, Chmn.

HOME FRONT

WARTIME INFORMATION BOARD
Responsible to P. M. and War Committee
Charles Vining,
Chairman

British Columbia Security Commission

Registrar General of Enemy Aliens
Comm. S. T. Wood
R.C.M.P.

Department National War Services
Hon. J. T. Thorson

Canadian Broadcasting Corp.

National Film Board
John Grierson, Director

Director of Censorship
Col. O. M. Biggar

Women's Voluntary Services
Mrs. W. E. West, Director

National Salvage Division
Charles La Ferle, Director

Director of War Charities
George Pifher
National War Services Funds Advisory Board
C. L. Burton, Chairman

A.R.P.
(Civil Air Raid Precautions)
Dr. R. J. Manion
Director

Civil Service Commission
C. H. Bland
Chairman

Custodian of Enemy Property
Hon. N. A. McLarty
Sec'y of State

TRANSPORT AND COMMUNICATIONS

DEPARTMENT OF TRANSPORT
Hon. J. E. Michaud,
Acting Minister

TRANSPORT CONTROLLER
T. C. Lockwood

CIVIL AVIATION
J. A. Wilson, Controller

CANADIAN NATIONAL RAILWAYS
R. C. Vaughan, Pres.

NATIONAL HARBOURS BOARD
R. K. Smith, Chairman

BOARD OF TRANSPORT COMMISSIONERS
Col. J. A. Cross, Comm'r.

OTHER AGENCIES

TRANSIT CONTROLLER
Geo. S. Gray
Wartime Prices and Trade Board

ADMINISTRATOR OF SERVICES
James Stewart
Wartime Prices and Trade Board

POST OFFICE
Hon. W. P. Mulock

EXTERNAL RELATIONS

DEPARTMENT OF TRADE & COMMERCE
Hon. J. A. MacKinnon

CANADIAN SHIPPING BOARD
L. D. Wilgress, Chairman

SHIP LICENSING COMMITTEE
F. E. Bawden, Chairman

SHIPPING PRIORITIES COMMITTEE
L. D. Wilgress, Chairman

JOINT ECONOMIC COMMITTEE
Dr. W. A. Mackintosh
Chmn. Canadian Section

JOINT WAR PRODUCTION COMMITTEE
G. K. Sheils
Chmn. Canadian Section

JOINT MATERIALS CO-ORDINATING COMMITTEE

PERMANENT JOINT BOARD ON DEFENCE
Col. O. M. Biggar
Chmn. Canadian Section

ADVISORY COMMITTEE ON EXPORT CONTROL
L. D. Wilgress, Chmn.

POSTWAR

CABINET COMMITTEE ON DEMOBILIZATION AND RE-ESTABLISHMENT
Hon. Ian Mackenzie
Convenor

ADVISORY COMMITTEE ON DEMOBILIZATION AND REHABILITATION
Gen'l H. F. McDonald
Chairman

COMMITTEE ON RECONSTRUCTION
Dr. Cyril F. James
Chairman

OTHER AGENCIES

CANADIAN PENSION COMMISSION
Gen'l H. F. McDonald
Chairman

WAR VETERANS ALLOWANCE BOARD
Col. D. Carmichael
Acting Chairman

ADVISORY COUNCIL ON HEALTH INSURANCE
Dr. Heagarty, Chairman

JOINT ECONOMIC COMMITTEE
See External Relations

RESEARCH AND STATISTICS

Army Technical Development Board
Gen'l J. V. Young
Chairman
Major J. E. Hahn
Director-General

DOMINION BUREAU OF STATISTICS
S. A. Cudmore
Chief Statistician

NATIONAL RESEARCH COUNCIL
Dean C. J. Mackenzie
Acting President
(Responsible to Cabinet Committee on Scientific & Industrial Research)

INVENTIONS BOARD
Dean C. J. Mackenzie
Chairman

War Technical and Scientific Development Board
Dean C. J. Mackenzie

THIS GRAPHIC PRESENTATION OF CANADA'S WAR ORGANIZATION PREPARED BY THE FINANCIAL POST

To Meet Transport Problem Ship Building Industry Pushes Output to Peak

$750 Millions Programme Enlists Energy and Ingenuity Of Industry in Bustling Shipyards Across the Dominion

Whether or not Henry Kaiser succeeds in his dream of mass-producing flying cargo boats, the shipbuilding industries of the United Nations must continue to grind out increasing numbers of vessels to carry cargo and men to every part of the world. Transportation is the greatest single bottleneck in the war programme today, and ships are the only adequate answer to that bottleneck.

Shipyards in Great Britain are concentrating largely on naval vessels—fighting ships—leaving the bulk of the building of cargo boats to North America. It was early realized that Britain's exposed position would cut down production in British ship yards. Bombing is a constant danger, with the resultant destruction in yards and factories, but even worse is the continuous black-out.

Great Britain and the European maritime countries are the world's home of shipbuilding. During the first Great War and subsequently, much progress was made in the creation of a shipbuilding industry in the United States, with a very small industry in Canada. This North American industry has had to face the task of producing most of the new cargo carrying vessels, as well as a large number of protective craft.

The first half of 1940 saw little but naval vessels being worked on in Canada. By the end of the first quarter of 1940, contracts amounting to some $50 millions had been awarded. At that time, some 4,000 men were employed in the whole industry in Canada. Today, orders approach $750 millions with almost 40,000 men employed and more urgently needed.

In the first quarter of 1940, fourteen major shipyards and fourteen small boatyards were engaged on naval work and small boats. Today, 17 major shipyards and 58 smaller boat yards are working on the expanded programme, and many of the shipyards bear little resemblance to their original size or condition.

Navy Grows

More than 100 vessels will have been added to the Royal Canadian Navy this year, increasing the force to over 500 ships. At the present time, the R.C.N. has well over 400 ships in operation, and a personnel of 41,000 men.

Additional dry-docking facilities are being constructed on the Atlantic coast at a cost of some $3 millions and additional handling facilities are being arranged at different ports.

Canada's $10 million small boat construction programme includes crash boats, aircraft tenders, bomb-loading dinghies, Fairmiles, motor torpedo boats, salvage and supply boats, refueling scows, flat scows and derrick scows for the Royal Canadian Air Force; harbor utility craft, gate vessels, whalers, pulling boats and service dinghies for the R.C.N.; service boats and collapsible assault boats for the Canadian Army; battle practice targets for the British Admiralty; and rescue launches for the British Air Mission.

In addition to the above, Canada is now laying down keels for larger and faster corvettes, and for a large number of corvettes and minesweepers similar to those already built. Preliminary work on the construction of Tribal class destroyers has begun, and keels for two have been laid down.

The first cargo-ship building programme in Canada resulted from the arrival in this country of the British Shipbuilding Mission early in 1940. It included ship building and operating experts, and was headed by Sir Arthur Salter. This Mission brought over plans and blue prints for cargo vessels of 10,000 and 5,000 tons.

First resultant activity in Canada was a contract from the British Government to supply 20 of the 10,000 ton type of vessel, at a cost of over $25 million. At first, this business was handled through the Department of Munitions and Supply directly. Work was commenced on these vessels in the summer of 1940, and early in 1941 Wartime Merchant Shipping Ltd. was formed, a wholly Government - owned subsidiary controlled by H. R. MacMillan as president.

This company took over the supervision arrangements for the British vessels, and placed contracts for a further 67 10,000-ton cargo vessels on Canadian Government account early in 1941. Of these 67, 15 were placed with three eastern yards and 52 with six yards on the west coast. In early autumn of 1941, contracts were placed for a further hundred of the same vessel, and for 18 5,000-ton cargo vessels, these contracts being apportioned between six eastern yards and six on the west coast.

44 in Service

To date, 44 10,000-ton ships have been completed and delivered, and are now in service on the world's oceans, and 20 more of these ships are to be delivered by the end of October, but, for no reason yet made public none of the 5,000-ton vessels has yet been launched.

Contracts have been let for nearly 300 10,000-ton cargo vessels at a cost of approximately $600 millions.

Owing to the length and depth of both the five-thousand and ten-thousand tonners, it is not possible to utilize any of the shipyards on the Great Lakes for the building of these vessels, as maximum length of locks on the Lachine Canal on the way to the sea is 250 ft. and depth of water 14 ft. maximum. Length of the 10,000-ton vessel is 441 ft. and the 5,000-tonners 327 ft.

The yards of the Great Lakes have been occupied solely, therefore, in building naval craft of steel and wood, of suitable dimensions.

In developing this enormous shipbuilding programme, costing over $750 millions, every important machine shop in Canada with available capacity is participating. All component parts, such as engines and boilers; deck machinery, winches, windlasses, derricks, life-boats, life-rafts, wire and manila rope, anchors and cables, cargo running gear, castings; deck planking; tunnel shafting; propellers; refrigeration and many auxiliary engines are manufactured at plants situated across Canada, these products being controlled by Wartime Merchant Shipping Ltd. and shipped to the different shipyards as required. The phrase, "Ships Made in Factories" has indeed come true in this programme, due to the far-sighted planning of the engineers and executives connected with Wartime Merchant Shipping. A special production department has been installed in that company solely for this work, and the result has been the spreading of a great deal of work throughout Canada.

The co-ordination of the flow of components is such that for many months past no vessel has been delayed in completion for the want of these parts.

Kaiser Performance

There is good reason to suppose that the ship-building programme as outlined by Hon, C. D. Howe early in the present year will be fulfilled. The remarkable performances by the Kaiser yards cannot be equalled by yards in this country because of the essential great difference in yard layout and cost of equipment, but the performance on the Canadian west coast can be considered as very creditable in relation to that of the Kaiser yards.

It is significant that the 15th ship built at a Canadian west coast yard took 124 days to complete, whereas the 15th ship built at the famous Kaiser yard in Oregon, the same type of ship, required 136 days. Even more significant is the fact that after the sixth ship had been built at this Canadian west coast yard, the remaining nine ships up to the present total of 15 completed have each been built in substantially less time than the comparable nine ships of the first 15 built at Kaiser's Oregon Shipbuilding Co. yard.

Canada's ship-building programme has grown by fits and starts. The first orders for corvettes and minesweepers were small and the yards were built with this limited construction programme in view. Later, when the cargo vessels were ordered, certain of the yards building naval ships were expanded to meet the requirements of this programme. The consequence is that the average Canadian shipyard has a capital expenditure per berth considerably less than that of the great new shipyards of the United States.

Need Manpower

What is holding up the shipbuilding programme today? What are the troubles? Men, materials and methods. It is fortunate that the fourth factor which would be paramount in normal, competitive times, i.e., money, is not a factor, because if it were many of the present yards would find themselves in difficulties.

Men are scarce, particularly skilled mechanics. There has been a considerable turn-over in labor, and competition between yards and shops. Although it has been dealt with by recent Government legislation, some of the trouble still persists.

Ship-plate was in short supply for some time, but that condition has been ameliorated, and the pressure to create sources of supply in the United States to take care of their million-ton-a-month promised output has helped.

Great Britain has materially helped the suppliers and makers of component parts in Canada and the United States by rounding up blue prints and specifications, along with royalty-free patents, and sending them over. Full advantage was not taken of this act, however, because the price of the article came too, and the resultant comparison was embarrassing in some cases. Large amounts of money have had to be paid out of Government funds to cover royalties to Canadian companies who have agreed to share for the duration the manufacturing rights for certain component parts, for which they were so busy they could accept no further orders. This was not required in Great Britain.

Pre-fabrication

One example of the kind of streamlined planning that is resulting in improved performance is the story of pre-fabrication.

A good deal of waste effort attended the corvette programme in Canada at first because eight or nine yards were building the same ships, yet each yard laid out its own lines in the molding loft and made its own templates, both operations requiring many operations of the highest skill and involving complete duplication.

Pre-fabrication of shell plating, frames, etc., to a drawing or template was either not thought of or, if the thought did arise, disregarded.

The same attitude toward pre-fabrication arose at the commencement of the cargo vessel programme.

Wartime Merchant Shipping was quick to realize the advantage of a single laying out for all yards building similar ships, and this was carried out to the extent of having one set of master templates made for the eastern yards and one for the western yards. Duplicate templates were then supplied to each yard.

Dominion Bridge Co. Ltd. undertook to fabricate on the west coast the components for which its plant equipment was most suitable. This company was originally set up to produce structural parts bearing a great similarity to those required in ship construction. Such a plant equipped for fast production was in a much better position to do this work than most ship-yards, and a further important advantage was in the fact that parts could be made in multiples for half a dozen yards at a time, when the guides were set up.

So successfully has the programme of prefabrication been worked out that parts are shipped to a yard as required and loaded on a truck in such a way that they are unloaded at the stocks in the same order as necessary for assembly on a ship. This eliminates the need of storage space and greatly simplifies handling problems.

Canadian Corvettes call for the BEST STEAM EQUIPMENT

Excellence in equipment is more than ever an essential of today's Corvettes, and Foster Wheeler shares the task of providing boilers, condensers, distillers, pumps and their various auxiliaries for many of these deadly Canadian sub-chasers.

Foster Wheeler equipment, meeting Navy and Merchant Marine requirements for over 50 years, is found in practically every class of Allied ship afloat.

That the All-Navy "E" for "excellence in production" has been awarded to Foster Wheeler in recognition of quality equipment, in quantity, on time, is a source of deepest pride and inspiration.

FOSTER WHEELER LIMITED
ST. CATHARINES, ONT.

MONTREAL — Canada Cement Bldg.
TORONTO — 159 Bay St.
401 MacArthur Bldg. — WINNIPEG
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Canada Welds a Fighting Navy

Development of Our Sea Force Makes a Dramatic, Proud Story

On a warship on active service, every man must know his job and station at all times. Here a leading-seaman on a Canadian warship checks with the officer in charge of his particular station during an "abandon ship" drill, making certain that every man is on hand and ready.

"... These are efforts which should not go unnoticed ... they are harbingers of even greater things and they show the awakening of the maritime spirit of that great Dominion."—Admiral Sir Henry Richmond.

This glowing tribute and many others like it paid by high ranking officials of the Royal Navy to the men and ships of the Royal Canadian Navy bring home the ever increasing strength of Canada's naval services. Founded some 32 years ago, the growth of the sea strength of Canada since the outbreak of war has no parallel. In Sept., 1939, when the Royal Canadian Navy went into action, a force of fifteen vessels, six of them destroyers and around 1,800 men, was all that could be mustered. Today it has a strength of more than 400 ships of all kinds and 41,000 men. By next spring the R. C. N. will have 500 ships and *44,000* men.

While the ships sailing under the ensign of the Royal Canadian Navy are small craft, such as destroyers, corvettes, minesweepers, auxiliaries, motor torpedo boats and many types of smaller vessels, the part that these ships have played in the present war is one of which every Canadian can feel justly proud.

60 Million Tons

Since war began Canada's navy has been constantly at sea. Perhaps the most important task, has been convoy duty. No fewer than 10,000 ships, carrying over 60 million tons of cargo have left our shores for the United Kingdom. This patrol of the Atlantic commenced six days after the start of war. The record to date shows a surprisingly small number of vessels lost by U-boat attack while in convoy, and no losses of escorted troop ships.

This vast growth, these unprecedented responsibilities, have meant a major development in the machinery of organization and control.

Man chosen to build Canada's first big navy and set the wheels of naval control into smooth motion, is a Canadian. Vice-Admiral Percy W. Nelles, first Canadian ever to attain this rank, is in supreme command of Canada's naval forces.

A fighting man of the first order, Vice-Admiral Nelles is a typical Canadian "seadog," having seen service in both the Canadian and British navies since the age of sixteen. This chubby faced, thickset tar, has fathered the navy's growth from the cradle.

Until recently, as chief of naval staff, Nelles was responsible for every item of equipment, detail of operation and training. However, the steadily mounting growth of the country's naval strength forced a reorganization of the system to that of the age-old British system.

Canadian Admiralty

This new Naval Board, created as an advisory body to the Minister of Naval Services, Hon. Angus L. Macdonald, corresponds roughly to the British Board of Admiralty and its members to the British Sea Lords. Members of the board in addition to Macdonald and Nelles include the Vice-Chief of Naval Staff, Commodore H. E. Reid; the Chief of Naval Personnel, Capt. H. T. W. Grant; the Chief of Naval Equipment and Supply, Capt. G. M. Hibbard; the Chief of Naval Engineering and Construction, Engineer Capt. G. L. Stephens. The financial and civil member is W. G. Mills, acting deputy-minister for Naval Services.

Under these high ranking officials come commanding officers in charge of Canada's key bases. Commanding officer of the Atlantic coast is Rear Admiral G. C. Jones, while the forces based on Newfoundland are under command of Rear Admiral L. W. Murray. On the Pacific coast the officer in command is Commodore W. J. R. Beech.

Headquarters and nerve centre of Canada's navy is Ottawa. Here the broad policy of naval control is defined. At sea, control of actual operations is decentralized into the hands of men who command the naval stations on our eastern and western coasts and elsewhere. This control is, of course, subject to rulings from Ottawa on matters of policy.

Even before the actual outbreak of war, the navy had its machinery ready for the guidance and guardianship of the merchant service. In key centres naval officers carry on the complex business of naval plans and operations, linking the Dominion's activities to the world-wide operations of the Empire's naval forces and performing the multitude of exacting tasks which must be carefully executed for Canada to play her full part in protecting the Empire's commerce.

Before convoys can assemble, the ships which form them must be loaded and made ready for sea, often at ports distant from the one in which the final rendezvous is to be made. Naval control officers in these different ports, working against time and fitting the ships into the composite picture like pieces in a jigsaw puzzle, keep their vessels moving on schedule and the convoys crossing the ocean according to plan. Incoming ships must be routed to the ports where cargoes for which they are especially suited await.

Despite the fact that Canada's is not a large-ship navy, it is bearing one-third of the huge task of convoying ships across the Atlantic Ocean. The remainder is being borne by the Royal Navy and the United States Navy.

The Battle of the Atlantic, now in its fourth year, is of far greater scope than ever before. At war's outset enemy U-boat activity was confined to the eastern side of the Atlantic Ocean. Destroyers of the Royal Canadian Navy, in those days, crossed the ocean to join battle, confident that their home waters were safe.

With the fall of France and the opening of French ports as U-boat bases, submarines were able to operate across the entire Atlantic and even into the Gulf of St. Lawrence. Canadian warships now have to fight the battle from one side of the ocean to the other. The Canadian Navy now must maintain a ceaseless submarine patrol in its own waters as well as provide escort ships for the convoys.

Corvettes Important

Playing a major part in this vital patrol and convoy duty is the corvette, a ship which has been made famous in this war by the Canadian Navy. Although not so formidable as destroyers, they nevertheless have certain advantages such as long cruising range, sufficient speed to engage in anti-submarine work and carry a much smaller crew than destroyers. Driven by steam engines, this new type of warship, which can complete a full turn almost in its own length, is being turned out at an average of one every few days. The navy recently has been taking on new ships at the rate of two a week.

Building Destroyers

In addition, modern destroyers are now being built in Canada and in Britain for the Royal Canadian Navy. Two "Tribal" class destroyers are under construction at a Canadian shipyard. In a British shipyard the third of this type built in Britain for our navy was recently launched. All these will soon be commissioned for service to substantially increase the striking power of the Navy.

Manpower Multiplied

Naval ship production in Canada is keeping pace with the supply of trained men with an even balance being maintained between ships and men. Since the outbreak of war the navy's strength has been multiplied 23 times to more than 41,000 men with thousands of recruits waiting to enlist. In addition, several hundred Canadian seamen are on loan to the Royal Navy.

Nucleus of Canada's Navy is R.C.N. personnel. However, since the outbreak of war recruits enlisted by the Royal Canadian Naval Volunteer Reserve have been mobilized in increasing numbers. And right now they form the largest portion of the Navy's strength.

Even in time of war, deep-rooted tradition draws an invisible line between those permanently in the service and those who have signed up simply for the duration. Only officers and men who join up permanently—for the minimum engagement of seven years—become members of the R.C.N., which is the permanent force. R.C.N.V.R. members are in only for the duration.

Fishermen's Reserve

The Royal Canadian Naval Reserve personnel is comprised of men of the mercantile marine, experienced sailors who earn their living at sea. Out on the Pacific Coast the Fishermen's Reserve is doing a quiet, important job, playing an invaluable role in the defense of Canada. Organized by far-visioned naval authorities in 1938 in preparation for possible emergencies, this Reserve was called into service immediately at the outbreak of war.

Composed mainly of British Columbia deep-sea fishermen, who prior to the war in the Pacific were occupied chiefly in watching Japanese fishing vessels, this force has been provided with a new type of patrol ship to keep a more detailed vigil.

Training Course

Training of men for the Navy is begun in 20 divisions or establishments from coast to coast. Here recruits are put through a preliminary eight weeks' course. Later they are sent to coastal establishments for intensive training in readiness for sea duty. In addition, special technical training is given in several centres to selected men who are skilled in certain trades and professions.

A permanent Royal Canadian Naval College has been opened at Hatley Park, near Esquimalt, B.C. The full course here will take two years.

As a future source of manpower strength for the Canadian Navy, cadet training is being intensively carried on by 27 Sea Cadet Corps established across the Dominion for boys between 12 and 18 years of age. Most of these are associated with the Navy League of Canada under direct supervision of the R.C.N., which contributes toward their upkeep and equipment.

29 Positions

There are 29 different positions to which a naval recruit may be assigned or promoted. An ordinary seaman requires no special qualifications, but to be a sail-maker's mate you must have two years' experience as a clerk in a hardware, grocery or clothing store.

Men with trade experience—plumbers, painters, blacksmiths, electricians, cooks may readily find a place along with those having sedentary experience such as stenographic, banking or accounting knowledge.

The Senior Service has had and still has a large reservoir of volunteers upon which to draw for its recruits. Curiously enough, there are in this navy as many men from Central and Western Canada, those long stretches of prairie lands, as there are maritimers. These men have proven themselves as good "seamen-material" as have the men from coastal villages.

Silent Service

When finis is finally written to this present conflict, the heroic and gallant story of the war service of the Royal Canadian Navy will form one of the truly great pages in Canada's history. Its work, which will rank as one of the greatest achievements by Canadians in this war, is fully in keeping with the great tradition of the "Silent Service."

Typical of the gallantry of Canada's Navy and seamen is the recent loss of the armed patrol vessel "Raccoon," which went down fighting with all guns blazing in defense of a convoy of merchant ships that had been committed to its care. By such deeds, in the crucible of action, Canadian Navy tradition is being welded.

Navy Chief

Navy Minister Angus Macdonald gave up the premiership of his native Nova Scotia to answer the call to duty in the Dominion Cabinet in 1940. How well he has done his job is plainly on the record. Canada's navy has expanded from 13 ships and 1,700 men at war's outbreak to almost 500 ships and 41,000 men, and it is still growing.

The Royal Canadian Navy has no big ships, the largest class is the destroyer, but it has been doing a big job. From Canadian shores since the beginning of the war have gone more than 10,000 ships carrying 60 million tons of cargo. The R.C.N. has carried one-third of that huge convoy task, the rest being handled by the Royal Navy and the U.S. Navy.

Hon. Angus Macdonald

Long before he assumed his present responsibility Angus Macdonald was marked by the politically wise as an ascending Ottawa personality. A former lecturer at Dalhousie Law School he is noted for his oratorical ability. In this latter capacity he has an edge over most Canadian speakers—he can speak Gaelic as fluently as English. He is another of the Cabinet leaders who knows the realities of war; in World War No. 1 he won a captain's insignia, was seriously wounded just before the Armistice.

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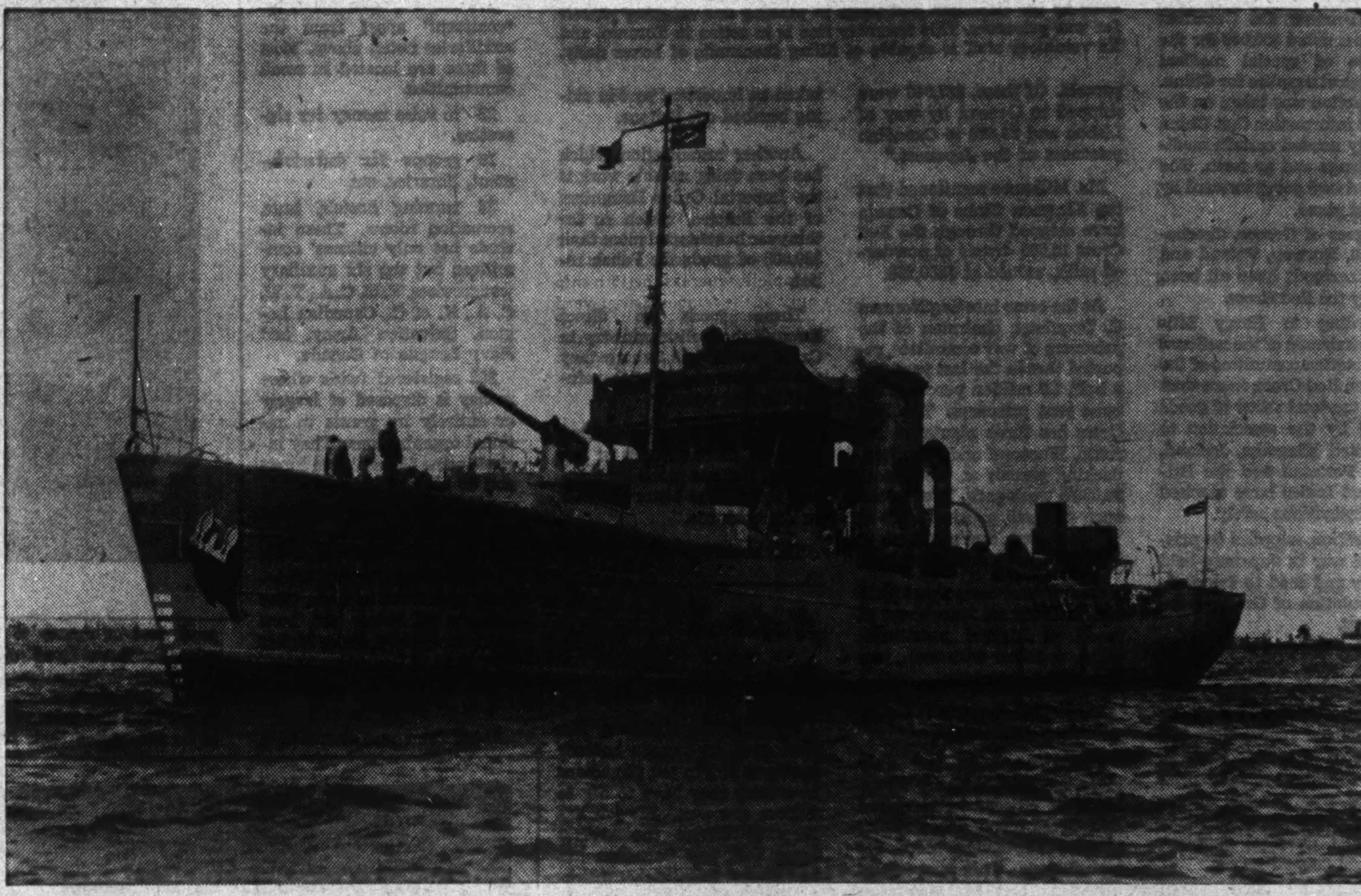

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"Maintenance of an uninterrupted flow of food and material from the granaries and factories of North America across the enemy-infested reaches of the Atlantic to Great Britain and other United Nations continues to present a task of the most vital nature, a task in which Canada is pledged to assume the leadership."

From: "THE INDUSTRIAL FRONT"—a booklet recently published by the Department of Munitions and Supply, Ottawa.—The HON. C. D. HOWE, Minister.

MARINE INDUSTRIES LIMITED are proud of their substantial part in fulfilling the "pledge of leadership" and of their organization and capable personnel whose skill and experience are contributing to swift and economical production.

In addition, the company's dredging activities are aiding the war effort in essential harbour and ship channel deepening not only in Canada but elsewhere. The company's machine shops and foundries round out its power to serve.

Corvettes, Mine Sweepers, Tankers and Cargo Boats To Meet The United Nations' Vital Need

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Canadians Loosen The Purse Strings

When justice finally catches up with the Axis, Canada's bulging granaries will be emptied to feed the hungry. Our country will have a tremendous part to play in alleviating the misery and famine spread by Germany, Japan and Italy.

Canadians, in the meantime, are doing what they can to ease the burden of their allies.

The spectacle of homes blasted by bombers, of civilians strafed from the air, of thousands dying from starvation, of the massacre of hostages and of all the other horrors conceived by the enemy has opened Canadian purse strings as never before.

People of the Dominion have poured out money for literally hundreds of causes.

Supplies to Russia

Take medical supplies for Russia. The Canadian Red Cross appealed for $500,000 for this purpose. Thus far, $846,000 has been received, and contributions are still flowing in.

This money has been raised by many groups, in many ways. In the latter part of 1941, when Russia had a terrific number of casualties and medical supplies were all but exhausted, the Red Cross call went out.

Last summer the Canadian Red Cross voted $50,000 for the purchase of special medical and surgical supplies for China.

This action was taken on the heels of information that China seriously needed certain medicines, drugs and so forth. The shipments are going forward by ship and plane.

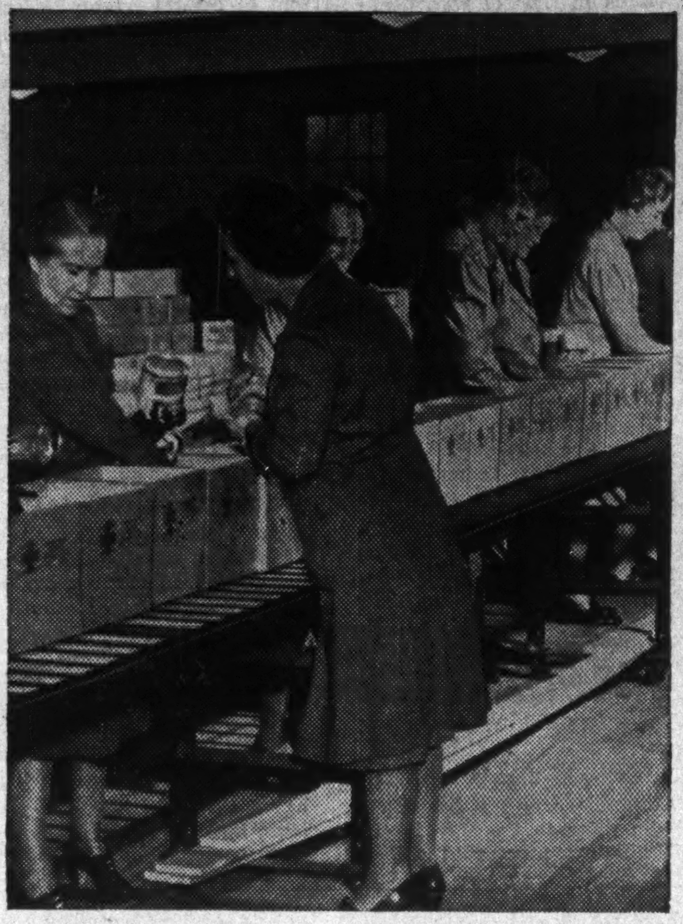
Refugees of Greece, Czecho-Slovakia, Norway, Poland and the Netherlands have all been aided by the Red Cross.

According to Harry Milburne, chairman of the national transportation committee of the Canadian Red Cross, more than 98% of the total value of goods shipped by the association to the United Kingdom, Iceland, Russia, Portugal and the British West Indies have reached these destinations safely.

In addition, supplies to prisoners of war in Japanese-held territory and food to the civilian population of Greece have been sent.

"During the period Jan. 1 to July 31, 1942, Canadian Red Cross goods valued at $6.7 millions were shipped overseas," Mr. Milburne reported to the Red Cross Central Council. "These supplies included prisoners of war parcels, ambulances, relief clothing, blankets and quilts, hospital supplies, drugs and canned goods.

"During the first seven months of this year we shipped overseas 910,864 prisoners food parcels. Of these, 887,040 were shipped to Geneva by way of Lisbon and 23,824 to Canadian prisoners of the Japanese."



Behind the fighting front in any war must be a careful organization of the work of the civilian population. This includes much volunteer work designed to give aid for sufferers from bombing, disasters of all kinds and the privations that are the inevitable accompaniment of wars. Outstanding in this service is the work done by the Canadian Red Cross in packing and shipping parcels for war prisoners. This assembly line is in action in Toronto, and its volunteer staff is capable of filling thousands of boxes daily.

Mr. Milburne mentioned that the Kinsmen Clubs of Canada have shipped through the Red Cross 14,600 drums of powdered milk, valued at $280,290.

At the same meeting Norman C. Urquhart, chairman of the prisoners of war committee, reported that in the last year and a half, 1.9 million parcels have been sent prisoners. The Red Cross has three plants, at Toronto, Montreal and Hamilton, packing parcels at the rate of 20,000 a week each. It will soon open a fourth packing plant at Windsor, Ont., and a fifth plant is contemplated for Winnipeg.

Each parcel costs about $2.50 and contains an assortment of foods of highest nutritional value, together with soap, jam and eating chocolate.

These parcels are paid for by voluntary contributions.

Canadians have not only given money, but blood. Thousands of citizens have visited Red Cross blood donor clinics to give life-saving blood for transfusions. This is specially processed and sent overseas. The Red Cross has been active in many other fields, and has taken an important part in aiding bombed out Britons.

Another organization which has been doing notable work is the Imperial Order Daughters of the Empire, which so far this year has shipped more than $80,000 of goods for Polish relief.

These goods go direct through the Polish ministry in Canada to Russia, where they are distributed to Polish refugees in that country.

The I. O. D. E. has been doing much to make seamen of the United Nations more comfortable against the bitter weather on the open sea.

The society started out by making leather jerkins. It wasn't so easy to get leather. Then it was found that fur from old fur coats was even more suitable for these warm jackets. They could be made with the fur turned inside, and the hide outside, covered with canvas, at a relatively small cost.

"Big Six"

The "Big Six" of Canada's war charities pattern take in besides the Red Cross and the I. O. D. E., the Knights of Columbus, Salvation Army, Y. M. C. A. and Y. W. C. A.

The government finances direct war services for members of the armed forces, such as the special services performed by the last four of the "Big Six," but voluntary contributions by Canadians finance their other work.

At Dec. 31 last, a total of 1,387 separate war charity organizations were registered at Ottawa, and since the start of the war they had collected a total of more than $38 millions. Of this amount the Red Cross, I. O. D. E., Knights of Columbus, Salvation Army, Y. M. C.A. and Y. W. C. A. had raised all but $12 millions.

The Red Cross alone had spent $16 millions from the beginning of war to the end of last year.

An analysis of the 1,387 war charities registered at Dec. 31 shows the following breakdown:

256 organizations formed to give direct aid to units of the armed forces (Women's Auxiliaries, etc.). Of the total 184 were army, 42 navy and 30 air force.

244 funds to raise money for "comforts" apart from the auxiliaries noted above. Most of these are located in small communities.

22 to raise money for cigarettes.

19 groups for entertainment, libraries, etc.

28 running hostels, huts, recreation rooms. These include not only citizens' committees but the six auxiliary war services, Y. M. C. A., Y. W. C. A., K. of C., Canadian Legion, Salvation Army, and Navy League of Canada.

302 registered funds whose money is disposed of largely or entirely by grants to national organizations. They include some 60 employee funds and 40 community chests.

61 funds for supplying equipment (aircraft, ambulances, mobile kitchens, etc.).

135 salvage funds, separately registered as such. (The number of these has been growing rapidly, is far higher now than at Dec. 31).

313 war victim relief funds.

7 miscellaneous.

Apart from war charities, a good deal of money is being raised for "home front" work.

Various organizations, such as the Salvation Army, have pointed out that their work has as its foundation their regular establishments here in Canada, and that these must be supported.

At the present time a score of Community Chests in Canada are appealing to citizens for $4 millions with which to carry on in 1942-43. Joint appeals will be made later in other centres.

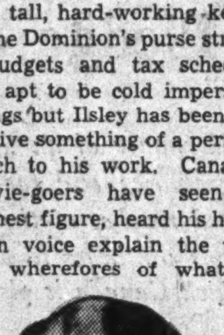
The money so raised will finance about 500 member agencies which use the Community Chest method of co-ordinating their efforts.

The 1942 national Community Chest slogan is "Preserve the Homes They Fight For."

Nation's Purser

He could be the most disliked man in Canada because it's up to him to tell Canadians how deep they have to dig to finance the war. His job has been to devise the stiffest taxes that any Canadian has had to pay. Despite that thankless job Finance Minister J. L. Ilsley is not only not disliked but held in considerable esteem throughout the country. That considerable achievement is due in no small measure to the very apparent sincerity of this tall, hard-working keeper of the Dominion's purse strings.

Budgets and tax schedules are apt to be cold impersonal things but Ilsley has been able to give something of a personal touch to his work. Canadian movie-goers have seen his earnest figure, heard his homespun voice explain the whys and wherefores of what the government is doing with their money. On scores of public platforms he has preached his favorite sermon of economy, explained the benefits of his new compulsory savings measure, pointed out that the new taxes are not so unbearable after all.



Hon. J. L. Ilsley

He believes in telling the people what is going on, recently gave up his holidays so that he could personally explain the need for raising record revenues to more Canadians. On his 48-year-old shoulders rests one of the most burdensome jobs of the Dominion's wartime government.

THERE'S MORE'N ONE WAY O' SKINNIN' THE CAT!

The exigencies of war have put many a knotty problem up to Canadian industry. Among them has been the problem of adjusting bronze casting to scarcity of tin. Talsil Bronze is one answer.

TALSIL BRONZE

This alloy is finding a very hearty reception with manufacturers whose specifications called for gunmetal or phosphor bronze. It is close-grained, strong and tough. It is readily machined. In some respects it is superior to the alloys it replaces. It is approved by the navy and ordnance for many purposes.

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"Wonder how he is on outside loops?"

● Dive, bank, turn and zoom — and that leech still on his tail. "There's only one way to get in back of that Hun. Here goes!" Straight down, throttle full open — faster — faster! Push forward, away forward on the stick! Pray that the wings stay on — hope the engine comes through with the power to pull the ship out of that terrific dive, over on its back, and up — up. "Done it! There's Mr. Leech down front — let's see what *he* can do!"

A lot of folks were riding with the daring young pilot in that outside loop. That tall fellow with glasses, for example — he put the machine on paper. That white haired man is a machine tool operator. Those two chaps in coveralls are engine mounters. Those two young women? One inspected the valves that are in the engine; the other, the parts in the heart of the fuel pump.

The thousands of war workers at Thompson Products, producing a stream of high precision aircraft engine parts and other vitally needed war equipment, realize the important role each plays in today's drama. They take their jobs in deadly earnest — and brilliant production records give the measure of their "will to win".

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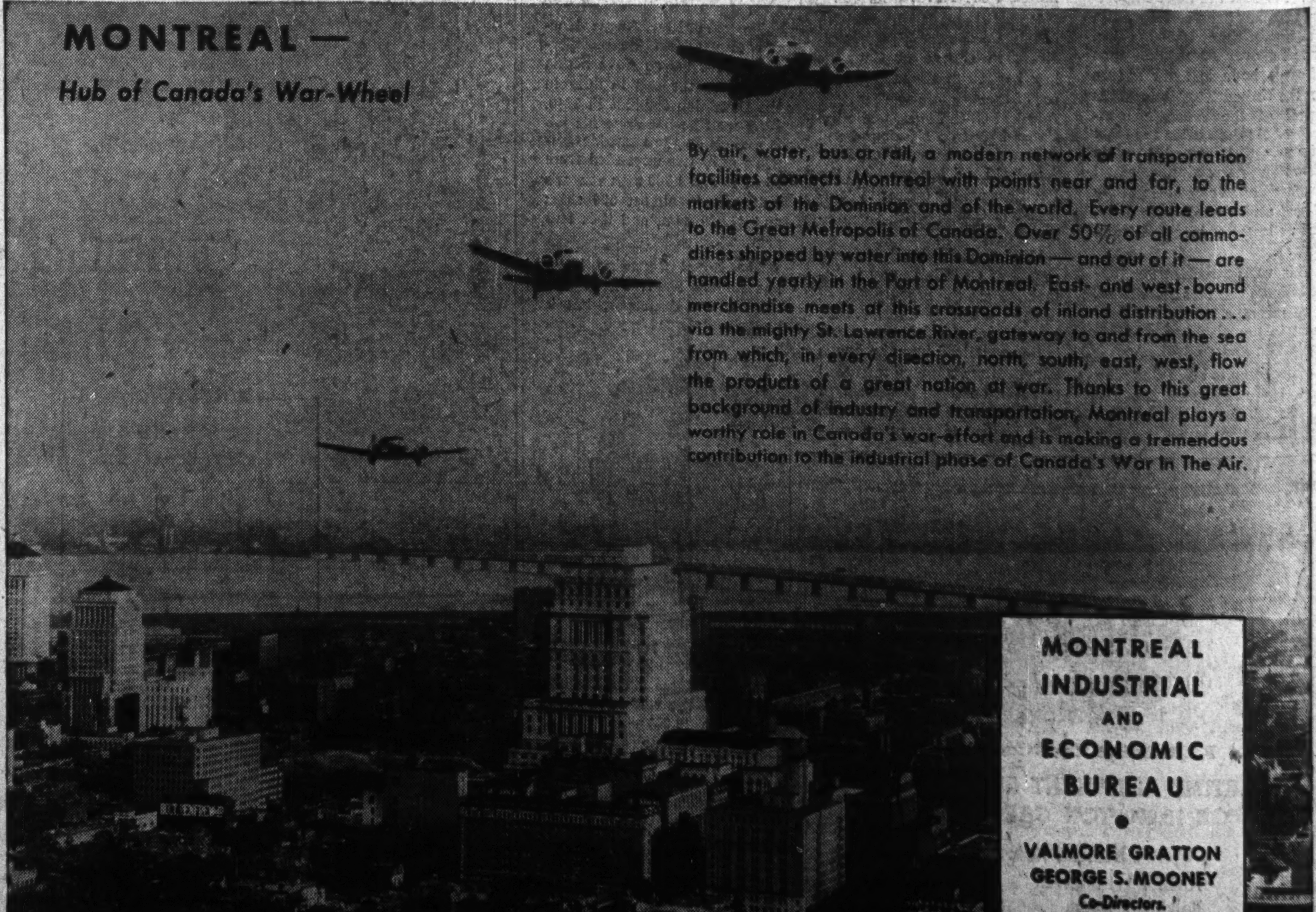

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Hub of Canada's War-Wheel

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